

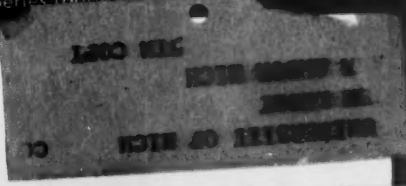
BUSINESS WEEK

SEPT. 20, 1947



Gillette's Joseph P. Spang, Jr.: Perennial winner in the World Series (page 3)

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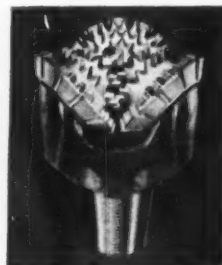




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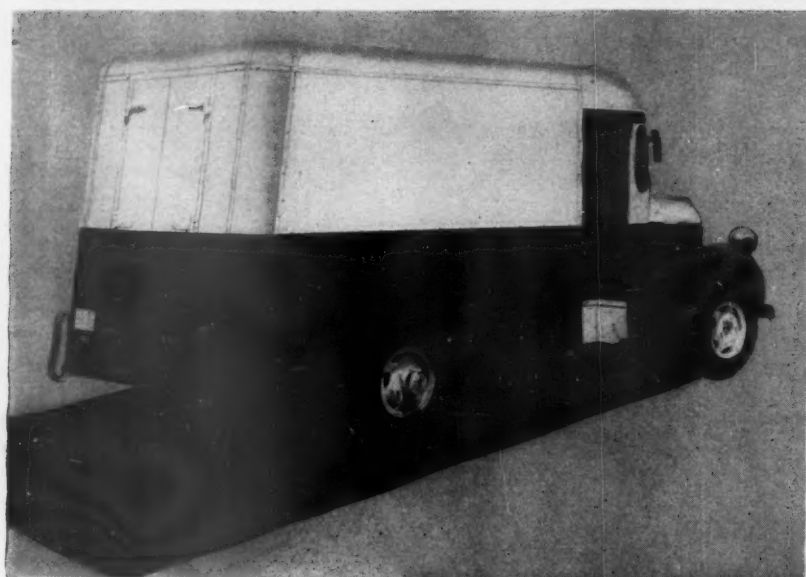


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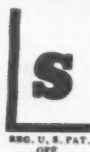
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WEE WASHINGTON OUTLOOK

SERVICE

TRUMAN'S RETURN to the White House this week end sets the stage for a series of momentous decisions

affecting businessmen—in their homes as well as in their offices.

Some of the waiting problems:

Special session—Whether to summon Congress to act on the immediate dollar crisis in Italy, France, and Britain. Truman must choose between his political advisers (who oppose a special session) and his State Dept. (which wants fast action).

How much food and coal to Europe?—This is in addition to the dollar problem. Say it another way and it's how many "meatless days" and how to allocate gondola cars at home.

Marshall Plan—Timing, scope, and how to run it are all still open points. And the most important of these is: How to administer?

Prices—The hottest domestic issue, inextricably tied up with the foreign issues. Watch for a clue to Truman's position in his Oct. 8 speech on Women's Democratic Day.

Politics—Whether to make a western swing as an offset to such G.O.P. trips as those of Dewey and Taft. Answer: Not if Congress is called back.

THE SECOND MARSHALL PLAN—we told you about it two weeks ago (BW—Sep. 6 '47, p5)—is growing firmer, clearer.

You can now pretty much count on this:

A new government agency will be set up to run the show. It will have both procurement authority and allocation power.

In other words, the new agency will be the buyer and shipper of American aid to Europe. It will have power to establish priority both domestically (as to order of production) and externally (as to degree of need).

Businessmen will do business with this setup.

Republicans in Congress—as well as Truman's people—are pretty well agreed on this basic idea. There'll be squabbles yet over details. For example: Who, specifically, will run the show?

But Washington isn't going to send Europe just more dollars. In Congress, particularly, the talk is tough: This time the U. S. must see to it that it gets its money's worth.

Otherwise—so goes this line—Europe might as well go Communist now; unless the Marshall

Plan really works the Communists will take over eventually anyway.

How about repayment?

You find today a growing feeling that the food and coal—consumable items—of the Marshall Plan should be given away, or practically so.

But the U. S. will ask for repayment of the capital items. Not in money, but probably in raw materials. And not right away, but over a period of time.

The Harriman-Krug-Nourse reports will point this up. In a nutshell, they'll say: The U. S. can do the Marshall Plan job without wrecking the domestic economy.

But they'll warn that the cost will be great in terms of U. S. resources—copper, iron, etc. So these should be paid back.

EAT LESS FOOD is the word from Washington.

Taft said it first, from California. He was giving a quick answer on how to get prices down.

Of course, Truman isn't overlooking the possible relief on price pressures in a save-food campaign. But his campaign will run to the need for making more food available for Europe. Commerce Secretary Harriman and Agriculture Under Secretary Dodd started the talk in public this week.

Also, there's New York Mayor O'Dwyer's call for two meatless days a week.

You can expect this sort of talk to build up fast from now on. Food processors will be "invited" to help out in their advertising. So will restaurants, radio, newspapers, etc.

All this "eat less" ballyhoo simply points up the question: How much food can the U. S. send to Europe this winter and next spring?

State Dept. insists that the need requires allocation from U. S. crops at least equal to last year's record shipments. Agriculture says it can't be done.

The answer isn't dollars. It is basically a question of how much food Americans will give up eating themselves.

You can expect, also, that whenever Congress comes back, Truman will ask for revival of controls on grain.

Curbing use of grain for alcohol, for exam-

WASHINGTON OUTLOOK (Continued)

ple, will add relatively little to foodstocks. But it's looked upon as a propaganda must.

EMPLOYERS IN DIFFICULTY with a union won't be hearing so soon from U. S. conciliators as they have in the past.

Cy Ching's code for the new mediation setup he heads: Play hard to get; they'll respect us more that way.

Ching thinks government should keep out of labor disputes as much as possible, get into them only when commerce is importantly affected. He will let local agencies handle small-fry disputes.

His ideas have his staff worried; they fear the case load will drop. That would mean fewer jobs

If Ching gets his way, Conciliation Service won't handle union balloting on acceptance of employer's last offer—as the Taft-Hartley law suggests.

He wants to toss that chore to NLRB, already set up for bargaining unit elections.

NLRB WILL OVERRULE Denham's ruling that top C.I.O. and A.F.L. officers must file non-Communist affidavits before their affiliates can get NLRB service.

The decision won't come, however, until an election case reaches the board on appeal.

First such case may come from the A.F.L. Electrical Workers, on the Baltimore regional director's refusal to schedule a bargaining election among studio technicians at radio station WARL.

Top I.B.E.W. officials all have filed the affidavits. They are stymied by refusal of the A.F.L. executive council to do so (page 89).

HOW THE ATOMIC POWER OUTLOOK has changed as a result of the shift in atom development goals is becoming clearer:

Adm. Williams S. Parsons, Navy's director of Atomic Defense, tells the Society of 1812:

(1) It will take 10 years to develop high temperature nuclear reactors for special purposes;

(2) Large-scale output of industrial atomic power is a generation away.

Last March, however, Parsons predicted:

(1) Experimental power pile operation in '48;

(2) Solution of engineering problems in five years;

(3) Development of atomic power to a point of practical use in the early 1950's.

Parsons' new estimates reflects a revised allocation of manpower by Atomic Energy Commission. Military work gets top priority.

AIR PASSENGER FARES are going up—again.

Northwest Airlines blazed the way with a petition asking CAB to O.K. a second 10% increase on one-way fares. United already is acting as if it would follow suit.

Reason: Last April's 10% boost hasn't pulled most domestic carriers out of the red.

FOREIGN BUYING MISSIONS are likely to stick around this country a while longer.

More than a year ago, the State Dept. told governments with official buyers here that U. S. policy favored winding up such missions, returning trade to private channels.

Some went home; a few others came (BW—Aug. 16 '47, p98). Now—unofficially—State has adopted a "hands off" attitude until the question of who is going to do the buying under the Marshall Plan is answered.

CRACK-OF-THE-WEEK—by Sen. Ed Martin, complaining to assembled steel industry big-wigs (page 17) about the nail shortage in New England:

"In our free competitive economy, there ought to be some organization among you gentlemen to see that this sort of thing doesn't happen."

- National Assn. of Real Estate Boards, whose commission-fixing practices are under antitrust attack, will ask Congress next year to exempt professions selling "services" from the Sherman act. . . .

- Look for Treasury to tighten controls over exports of gold jewelry, ornaments, etc. Idea is to halt growing practice of doing token art work on gold, then shipping it abroad to wind up in free gold markets as money. . . .

- Apprentice trainees in the construction industry have quadrupled—26,000 to 103,000—in the last year. Labor Dept. still plugs for more. . . .

- Washington-Is-Like-That Dept: while Justice Dept. is suing Owens-Corning Fiberglas Co. as a monopoly, Commerce Dept. displays the company's products in its main entrance lobby. . . .

- You can safely ignore the gossip stories that Ed Pauley is being groomed to succeed Secretary of War Royall.

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to other people in the world perform so many different jobs, or use such a wide variety of tools, as we in America.

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of metal problems. To this extent they have contributed to the continuing improvements in small tool performance.

Through this and comparable experience gained in technical service throughout industry, International Nickel has accumulated a fund of useful information on the selection, fabrication, treatment and performance of engineering alloy steels, stainless steels, cast irons, brasses, bronzes and other alloys containing Nickel. This information is yours for the asking. Write for "List A" of available publications.



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"A credit report from Binghamton...in an hour's time!"

THERE was a desperate gleam in the New York sales manager's eyes. "We just got a big order from a new firm in Binghamton. Never heard of them before—and we have to know before five whether we can deliver on their terms!"

"Calm down," said the credit manager reassuringly. "There's a Marine Midland bank in Binghamton. And Marine Midland officers know the businesses in their community. Let me put a call through to them."

In a few minutes the credit manager was explaining his problem to a Marine Midland officer. And in less than an hour, the banker had phoned back the information that gave the green light for establishing a profitable relationship with the new customer.

The 19 Marine Midland Banks, with 97 officers in 46 New York State communities, stand ready to assist you in your credit problems. Ask Marine Midland!

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THE COVER

As the roar of the crowd dies down at the end of an inning during a World Series baseball game next month, a rapid summary of the play will be given. Then, before the sports broadcaster can draw breath, another voice will come in with:

"Look sharp. Be sharp. Feel sharp."

That's the recurrent theme of America's largest sports sponsor on the air—the Gillette Safety Razor Co.

• **On Biggest Network**—This year, the Gillette commercial sprinkled through the descriptions of the top baseball attraction will go out over the largest single network ever hooked together. The play-by-play account will be funneled through microphones to 600 stations in the U.S., Canada, Cuba, Puerto Rico, Hawaii, and wherever the armed forces are stationed. And it will cost Gillette \$175,000 whether the series goes four games or seven.

Gradually, the sponsored broadcasts by the world's largest razor blade maker broadened into the Gillette Cavalcade of Sports. Today Gillette has a radio budget of about \$1.5-million. Nearly all of it goes into sports broadcasts because they appeal primarily to men—the buyers of razors.

• **Radio Followed Spang**—Gillette turned to radio shortly after Joseph P. Spang, Jr., came to the company. He joined Gillette in 1938 as executive vice-president, but in 79 days was made president and treasurer.

His first job was as a messenger at the Merchants Bank in Boston, his native city. After graduating from Harvard in 1915, he was employed in the hog slaughter house of Swift & Co. He served for 23 years in every phase of Swift's activities up to vice-president in charge of sales.

He has great faith in the ability of American youth to solve today's problems. He serves as chairman of the board of directors of Junior Achievement and overseer of Boston's Boys' Club.

• **Firm Believer in Exports**—His study of postwar problems has led him to stress the urgency of exporting American capital, plants and know-how. Spang believes that companies such as Gillette should undertake the pioneering of great industrial ventures abroad. The goal: not immediate profits, but, in a half century perhaps, world industrial stabilization.

The Pictures—Acme—16, 21, 52, 80, 104; Harris & Ewing—17; British Combine—20, 112; McGraw-Hill World News—21; Press Assn.—34, 55, 89; Int. News—40, 68, 84; Charles Phelps Cushing—98; European—109.

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BUSINESS OUTLOOK

BUSINESS WEEK

SEPTEMBER 20, 1947



Cooler weather is bringing with it slightly more active business.

Steel production is back to about 90% of capacity. This follows two weeks of curtailed output in Pittsburgh due to U. S. Steel's troubles with its railroad workers (BW—Sep. 13'47, p103).

Electric power output topped 5-billion kilowatt-hours last week for the first time on record (page 16).

Auto production last week was the highest since 1941; output of cars and trucks was at an annual rate of about 5½-million units.

Value of new construction and total employment in the building trade will taper off as winter weather nears. However, the August figures are nothing that need be apologized for.

Work put in place for the month was valued at \$1.2-billion plus about \$200-million for repairs. Value of new housing was \$453-million compared with \$397-million for the same month last year.

Employment in construction rose by 130,000 over July to reach the highest postwar figure at 1,817,000, says the Bureau of Labor Statistics.

Railroads will have their peak load lightened slightly next month if farmers hold back some of their crops for income tax purposes. October normally is the month of largest crop movement.

Talk of a holdback, however, applies mainly to a limited number of large-scale operators. It probably won't affect marketings materially.

High prices, incidentally, are bringing more cattle to market.

United States' probable food commitments under the Marshall Plan are causing agricultural experts concern, and it isn't only about prices.

This year's short corn crop provides a foretaste of what would happen in a year of generally poor yields. A drought such as hit in 1934 or 1936 would put us on an import rather than an export basis—particularly with consumer purchasing power as large as it is now.

Our luck has lasted a long time now. Some people wonder if the turn might not come as early as 1948.

Soil is pretty dry for planting winter wheat. If this crop gets off to a poor start in September and October, it takes mighty favorable weather to bring it back in the following May and June.

However, fall rains can still replenish soil moisture.

High prices are sure to encourage the planting of another large wheat acreage. The Dept. of Agriculture, in fact, is confident farmers will seed the announced goal of 75-million acres for 1948 harvest.

But even on that acreage, bumper yields will be needed to meet projected exports. And if yield duplicates the 1937-46 average, the crop would be somewhat under 1.1-billion bu.

That would provide a scant 300-million bu. of new wheat for export. This would be way under demand, allow nothing for rebuilding stocks.

Livestock numbers will be smaller next year than this.

High market prices encourage slaughter even of brood stock now; high feed prices may discourage production of adequate replacements.

Thus it is anticipated that numbers of cattle and calves, sheep and

BUSINESS OUTLOOK (Continued)

BUSINESS WEEK
SEPTEMBER 20, 1947

lamb's will decline. There's less agreement on hogs; they may total as many in 1948 as in 1947—but go to market leaner.

Feed supplies for the season starting Oct. 1 are 12% under the previous year's level but slightly above the 1937-41 average, the Dept. of Agriculture reports.

That affords little hope of lower feed costs—unless prices generally slide. And who wants to grow more livestock in a dropping market?

Meat production has been down seasonally lately—but demand hasn't.

Prices people are paying aren't the only proof of that. We drew some 72-million lb. of meat out of cold storage stocks in August.

Storage now totals 477-million lb., a little more than a week-and-a-half's federally inspected slaughter at the present rate.

But the seasonal pickup in slaughter runs is right ahead.

Farmers are urged officially to cut laying flocks no more than 4%.

This would mean 420-million hens and pullets on farms next Jan. 1. The goal is to provide 375 eggs per capita, 77 above prewar consumption.

On the one hand, feed prices work against achievement of the goal.

But, on the other, the price of eggs may turn the trick. With eggs nudging \$1 a dozen in New York, 60¢ in the Midwest, there's an incentive.

Advocates of lower prices in the Administration seem to ignore their own advice. They insist on bidding prices up on themselves.

Here's a sample. This week the government was receiving tenders of strategic materials for emergency stockpiling.

Prior to this action, the market for copper, lead, and zinc could hardly have been described as any better than steady. Now these metals are just about assured of continued good prices.

Despite some improvement in industrial demand, the markets are slow. Some big metal users even appear to be drawing down their inventories. But they won't be so cautious if the government guarantees prices.

Britain took a good while to learn the lesson of not bidding prices up on itself. Formerly it announced what it needed and went out to buy the goods. Sellers always see such a buyer coming, price accordingly.

But now the British are changing their ways. For example, they now buy copper in Canada and pay the average price published by Engineering & Mining Journal for the month of delivery.

Instead of bulling open market prices, they benefit by them.

Two schools of thought seem prevalent now on domestic prices:

(1) That the Marshall Plan will be too little and too late. These people reason that prices will dive and business will suffer. They help account for the relatively low level of stock market prices (page 15).

(2) That Marshall Plan aid will mean shortages at home for years to come, thus breeding steadily rising prices and high output. This group isn't necessarily happy about the long-range outcome, but it at least is a little happier than the other school.

Meanwhile, everyone wonders how much stuff, normally shipped to Europe, will be drawn to the U. S. by producers' desire for dollars.

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FIGURES OF THE WEEK

THE INDEX (see chart below).

PRODUCTION

	\$ Latest Week	Preceding Week	Month Ago	Year Ago	1941 Average
THE INDEX (see chart below)	*182.2	183.9	184.0	182.9	162.2
Steel ingot operations (% of capacity)	89.4	84.0	84.0	89.1	97.3
Production of automobiles and trucks	109,123	183,440	101,001	88,888	98,236
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)	\$21,590	\$22,405	\$15,724	\$16,386	\$19,433
Electric power output (million kilowatt-hours)	5,053	4,721	4,923	4,521	3,130
Crude oil (daily average, 1,000 bbl.)	5,217	5,173	5,159	4,773	3,842
Bituminous coal (daily average, 1,000 tons)	2,130	2,005	1,968	2,221	1,685

TRADE

Miscellaneous and L.C.L. carloadings (daily average, 1,000 cars)	88	88	84	87	86
All other carloadings (daily average, 1,000 cars)	67	66	67	65	52
Money in circulation (Wednesday series, millions)	\$28,742	\$28,749	\$28,223	\$28,499	\$9,613
Department store sales (change from same week of preceding year)	None	+1%	-2%	+49%	+17%
Business failures (Dun & Bradstreet, number)	75	60	78	31	228

PRICES (Average for the week)

Spot commodity index (Moody's, Dec. 31, 1931=100)	435.0	427.5	421.4	328.4	198.1
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)	270.7	+266.9	268.3	203.9	138.5
Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939=100)	391.3	382.6	374.5	290.1	146.6
Finished steel composite (Steel, ton)	\$75.41	\$75.41	\$75.41	\$64.45	\$56.73
Scrap steel composite (Iron Age, ton)	\$37.75	\$37.75	\$37.92	\$19.17	\$19.48
Copper (electrolytic, Connecticut Valley, lb.)	21.500¢	21.500¢	21.500¢	14.375¢	12.022¢
Wheat (Kansas City, bu.)	\$2.69	\$2.54	\$2.29	\$1.95	\$0.99
Sugar (raw, delivered New York, lb.)	6.32¢	6.32¢	6.32¢	4.48¢	3.38¢
Cotton (middling, ten designated markets, lb.)	32.07¢	32.22¢	34.38¢	36.58¢	13.94¢
Wool tops (New York, lb.)	\$1.745	\$1.749	\$1.702	\$1.330	\$1.281
Rubber (ribbed smoked sheets, New York, lb.)	16.47¢	15.84¢	15.26¢	22.50¢	22.16¢

FINANCE

90 stocks, price index (Standard & Poor's Corp.)	119.6	+119.1	122.9	120.4	78.0
Medium grade corporate bond yield (30 Baa issues, Moody's)	3.23%	3.18%	3.16%	3.09%	4.33%
High grade corporate bond yield (30 Aaa issues, Moody's)	2.60%	2.57%	2.56%	2.58%	2.77%
Call loans renewal rate, N. Y. Stock Exchange (daily average)	14-14½	14-14½	14-14½	14-14½	1.00%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate)	1%	1%	1%	1-1½	1-1½

BANKING (Millions of dollars)

Demand deposits adjusted, reporting member banks	47,350	46,954	46,574	46,004	+27,777
Total loans and investments, reporting member banks	64,292	63,799	63,513	67,563	+32,309
Commercial and agricultural loans, reporting member banks	12,719	12,518	12,238	9,731	+16,963
Securities loans, reporting member banks	2,027	2,141	1,975	3,177	+1,038
U. S. gov't and gov't guaranteed obligations held, reporting member banks	38,699	38,354	38,588	45,930	+15,999
Other securities held, reporting member banks	4,274	4,233	4,228	3,977	+4,303
Excess reserves, all member banks (Wednesday series)	1,100	+940	850	754	5,290
Total federal reserve credit outstanding (Wednesday series)	22,472	22,623	22,494	23,935	2,265

*Preliminary, week ended September 13th.

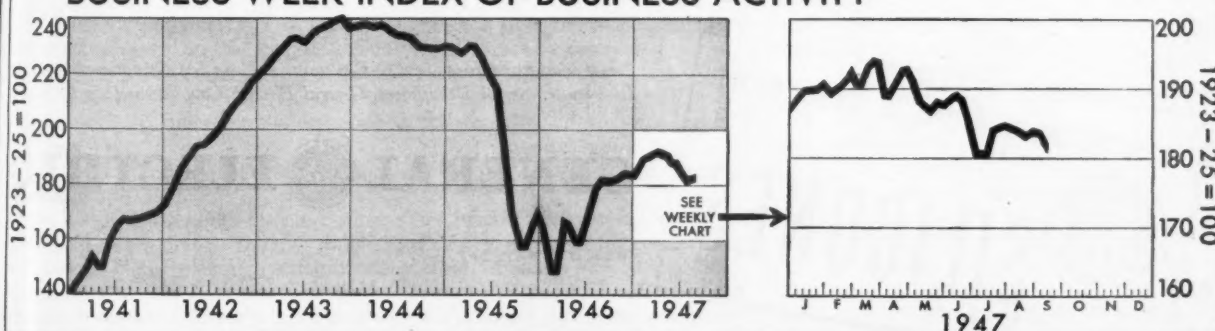
†Revised.

‡Ceiling fixed by government.

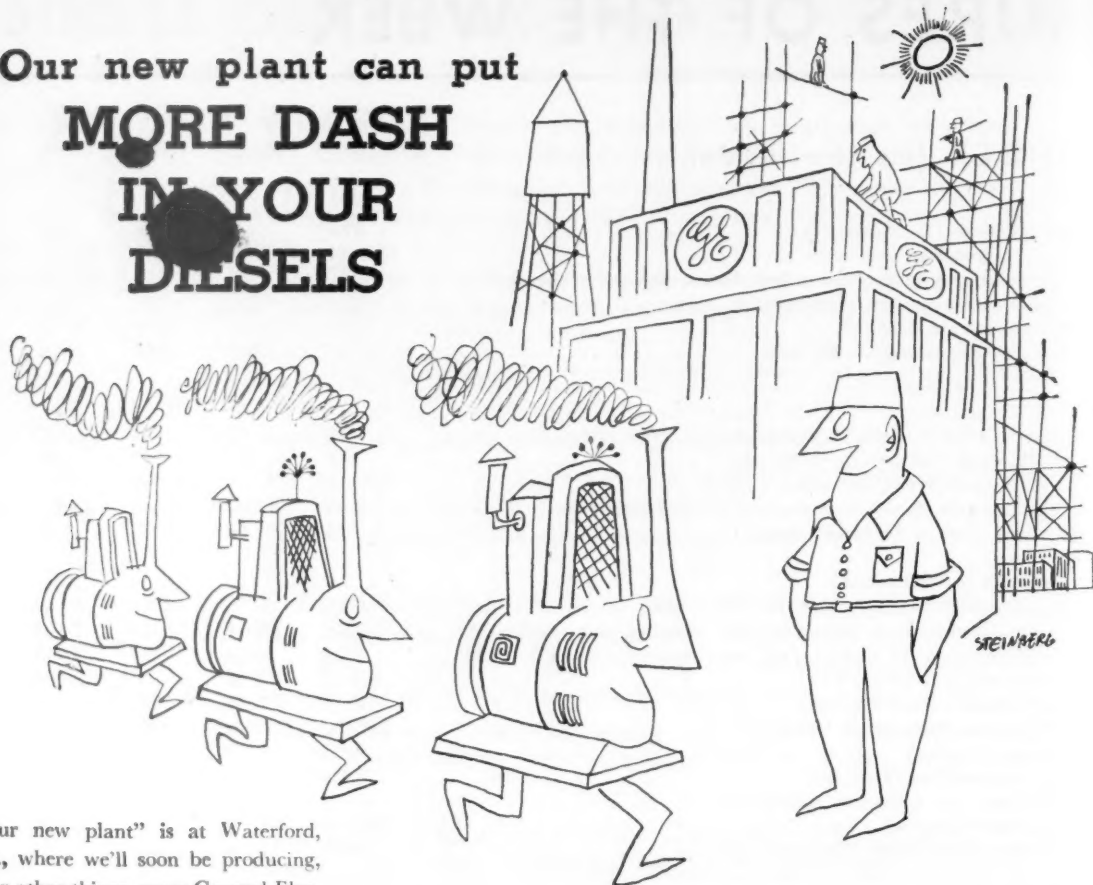
††Estimate (B.W.—Jul.12'47,p.16)

§Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY



Our new plant can put **MORE DASH IN YOUR DIESELS**



"Our new plant" is at Waterford, N. Y., where we'll soon be producing, among other things, more General Electric silicone rubber. And this silicone rubber, because of its high heat-resistant qualities, will do wonderful things for your diesel engines.

Silicone rubber is ideal as a gasket material used between the supercharger and engine block. It is soft and resilient, giving positive gasketing action, but most important, it resists the high diesel temperatures without deteriorating. This means fewer replacements of gaskets, less time lost due to repairs, and lasting "zip" in diesel compression chambers.

Of course, that's not the only use manufacturers have found for General Electric silicone rubber. Aircraft motors,

vacuum systems, explosion-proof lamps, and infrared baking equipment have all employed silicone rubber gaskets to singular advantage. Tested as withstanding temperatures ranging from 55 below zero to 520 F, General Electric silicone rubber will not adhere to metals or other materials, and retains surface hardness and flexibility at these widely separated points of the thermometer.

Speaking of silicones, here are some other members of the family that will soon be leaving their home in Waterford to go to work for many forward-looking manufacturers and businessmen.

There are silicone oils that flow at 120 below zero, yet won't ignite at tempera-

tures as high as 575 F. You'll find them in business as molding lubricants. Silicone resins will be in demand in finishes for automobiles, refrigerators, ranges, hospital equipment and scores of other products.

And if you're interested in an amazing new water-repellent material, there's DRI-FILM,* another result of G-E silicone research. DRI-FILM is just the thing for making textiles, paper, ceramics, plastics, and glass water-repellent.

The G-E silicone family is a prolific one. It's growing every day as General Electric silicone research continues. Chemical Department, General Electric Company, Pittsfield, Massachusetts.

YOU'LL BE HEARING A LOT ABOUT



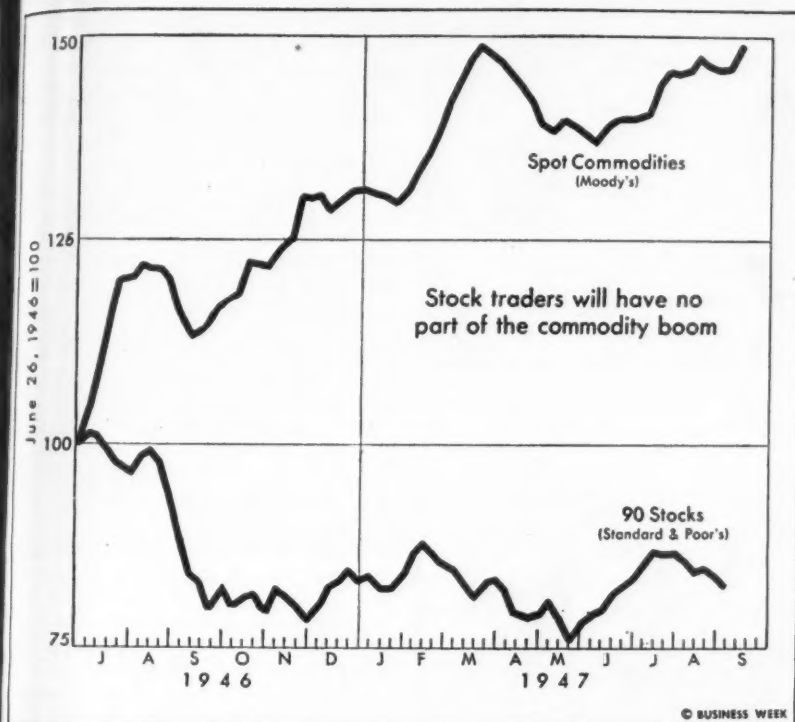
SILICONES

Please address inquiries about G-E silicones to Resin and Insulation Materials Division, Chemical Department, General Electric Co., Schenectady 5, N. Y.

GENERAL ELECTRIC

GD47-314

*REG. U. S. PAT. OFF.



Paradox in the Marketplace

Commodity prices, particularly foods, are at record postwar levels. Yet common stocks, which usually join in inflationary moves, are staying down. One conclusion: Wall Street expects a bust.

Food prices have risen so high that they pose a problem in simple arithmetic for almost any housewife—and a problem in complex economics for every businessman.

The problem isn't new; it has been growing ever since the demise of OPA. Now it has simply become more acute.

• **Index**—The all-inclusive Bureau of Labor Statistics index of wholesale prices of almost 900 commodities has gone up for 10 consecutive weeks (page 116). Recently, each week's rise has meant a new postwar high. And while the total advance for the period comes to only 5%, a lot of the sharpest gains have been in items where the average consumer feels them most—meat, butter, eggs.

Since the end of OPA, the general level of wholesale prices has risen nearly 38%; foods have gone up more than 53%.

• **Paradox**—Here is enough inflation so that money should have taken refuge in the stock market. Normally such action would be considered a good hedge

against declining purchasing power of the dollar. But nothing of the sort has happened this time. In fact, stock prices have dropped nearly 20% while commodities have been rising double that amount (chart, above).

And that leads logically to the economic problem embodied in high prices. One question: How long can consumers follow the rising price of food and still have enough money left to buy the other things they want and need? Another: If this can't go on forever, will it mean a bust in commodity prices that might throw business into a tailspin as in 1920?

The stock market seems to be taking the dim view (although it can be argued that stock prices would be much higher today but for the international situation).

• **Current Developments**—And amid this argument in the marketplace over values of stocks and commodities, there was much to-do elsewhere about food: • Voluntary rationing was strongly advocated from Washington. This took

on the standing of Administration policy when Acting Secretary of Agriculture Norris E. Dodd and Secretary of Commerce W. Averell Harriman both came out for it on the same day.

• World production of bread grains will be larger this year than last, it was estimated by the Office of Foreign Agricultural Relations. But there still won't be enough to meet all needs. The deficit nations of Europe are in worse shape than ever.

• Price hearings that have been scheduled by the various Senate subcommittees on economics got under way (page 17). First hearings were held this week by the group of which Sen. Ralph E. Flanders is chairman.

• Grain trading margins were hiked by the Chicago Board of Trade, but not until after Sen. Flanders had suggested that it might be a good idea to exact 100% cash for speculative transactions. The new schedule of minimum margins posted late last week is 45¢ a bu. on wheat and corn, up 10¢ from the level previously in force. Meanwhile, Washington was demanding an even higher level.

• **Global Picture**—All this activity revolved about world food needs and exportable U.S. supplies. Brightest spot right along has been this country's record-smashing wheat crop of 1.4-billion bu. This, however, has been more than offset as a commodity market factor by the midseason shrinkage in the corn crop to an estimated 2.4-billion bu., 900-million bu. below 1946 (BW—Sep. 13'47, p10).

Wheat prices have boomed. But they haven't gone up as fast as corn. The coarser cereal is only 10¢ to 15¢ a bu. cheaper than wheat, so there wouldn't be too heavy a charge on feeding wheat to livestock instead of corn. And as the prices of both grains go higher and higher, 15¢ a bu. becomes, relatively, a less and less important differential.

Marshall Plan funds are another important market consideration. There are many who feel that markets can't go down much in view of the quantities of food called for to feed western Europe for the next four years. And traders habitually work on the theory that prices which cannot go down are very likely to go up.

• **General Rise**—The bullish enthusiasm runs up and down the list of foods. Fats and oils have reversed their long decline. Coffee is up and cocoa continues to push to new high levels. Meat prices seem to know no limit, despite widespread consumer resistance and calls for meatless days in restaurants.

But the upswing doesn't end with

foods. It has even slopped over to pick up weak sisters such as natural rubber, which has risen about 2¢ a lb. to more than 16¢.

With all this going on, it is small wonder that Wall Streeters go home of an evening numbing to themselves about the low value placed on common stocks.

Antitrust Suits Up

Half-dozen important cases before Supreme Court this fall may bring new definitions of the Sherman antitrust law.

Ever since the Sherman antitrust law was passed in 1890, businessmen have been wondering exactly where the line must be drawn between legitimate combinations and conspiracies in restraint of trade.

• **Sharper Line**—That line may be made sharper during the fall term of the U. S. Supreme Court, which begins Oct. 6. Government antitrust actions dominate its docket; and from the half-dozen important cases that the court will decide during the next three months may come new definitions and interpretations of the Sherman law.

Outstanding among the cases are the government charges of patent-agreement price-fixing against Line Materials Co., Inc., makers of electrical equipment, U. S. Gypsum Co., and other manufacturers of gypsum board. Both cases are set for argument during November.

• **The Question**—The big question in each case: How far can patent holders carry price-fixing under cross-licensing agreements? The defendants both won lower court decisions. The Government carried the appeals to the high court.

The Line Materials case dates back to 1938, when that company and Southern States Equipment Corp. pooled patents on a certain type of cut-out fuse. The Government charged that they endeavored to fix prices on an industry-wide basis under a pooling agreement that gave the original patent holders power to set minimum prices in all sublicensing agreements.

Similar issues arise in the case against U. S. Gypsum and six other manufacturers of gypsum board. A special three-judge court sitting in Washington ruled that the Government failed to show that the defendants' licensing agreement restrained trade, or went beyond proper limits of U. S. Gypsum's patent rights. The Government appealed, contending that the group fixed prices on products over which the licensor had no patent control.

• **Cement and Autos**—Another important government antitrust action set



1939 Housewife's dollar would buy butter, eggs, soap flakes, bread, milk.



1945 Her dollar covered everything on the list but the pound of butter.



1947 One dollar nets her scarcely a box of soap flakes and a dozen eggs.

for October argument involves Federal Trade Commission charges against 75 cement companies. FTC's attack is directed against the basing-point, delivered-price system. A cease-and-desist order was vacated by the Seventh Circuit Court of Appeals at Chicago. FTC appealed to the high court.

The long fight of Ford Motor Co. to amend restrictions on its new car financing through Commercial Investment Trust Corp. is also due to come up next month. The case arises from suits filed by the government against Ford, General Motors, and Chrysler in the Northern Indiana District Federal Court in 1938. The government accused the manufacturers of steering car financing through dealer arrangements. Ford entered a consent decree and G.M. stood trial. After G.M. lost the suit, and the Supreme Court refused to review it (BW-Oct.18'41,p28), Ford asked for amendment of the consent decree to equalize their competitive positions. The trial court refused and Ford appealed.

• **Theater Chains**—Two other important antitrust actions are set for December court argument. They both involve two theater chains—Schine Chain Theaters, Inc., of New York, and Consolidated Theaters, Inc., in Oklahoma.

The Schine chain operates 120 movie houses in six states—New York, Ohio, Kentucky, Maryland, Delaware, and Virginia. The government accused it of monopoly, said it had made agreements with eight major movie producers. Then, it is alleged, the agreements were used to deny first-run pictures to competitors, to cut prices and to threaten to build additional competing picture houses.

The Consolidated chain won its case in Western Oklahoma District Court against a government charge of monopoly and illegal agreement with 10 movie-distributing companies. Judge Edgar S. Vaughn ruled that the chain was "alert and progressive and took such advantages as were only natural in the industry." The government appealed to the high court, still seeking dissolution of the chain.

POWER OUTPUT RECORD

Even while the electric power industry was talking about the prospect of its first 5-billion kilowatt hour week in history (BW-Sep.13'47,p16), that record level of output was reached and surpassed.

Power output in the week ended Sept. 13, the Edison Electric Institute reported this week, was 5,053,300,000 kwh. This was 11.8% greater than in the corresponding week a year ago; it was also 100-million kwh. greater than the previous high, recorded Aug. 23, 1947.



THIRTEEN STEELMASTERS in Washington were told they face the bad luck of nationalization unless steel shortages end

Hearings Go "Town Meeting"

House and Senate committees investigating problems of all types of business; most of them move out of Washington to get grass-roots viewpoints of both management and labor.

Congressmen are getting an earful these days about what's wrong—or right—with everything from prices to taxes. The greatest variety and the largest number of hearings to be held while Congress is not in session are getting under way. A few are conducted in familiar settings in Washington. Others are being staged all over the nation in sort of town-meeting style.

Sample Probes—In Washington, an inquiry into steel capacity finally drew management witnesses in full array (page 10). Labor was also heard.

In Providence and Boston, a Senate committee this week was probing into prices. The caravan will move to New York next.

In Reno, premium payments to metals producers were under discussion.

In Seattle, the tax advantage of farm cooperatives was criticized. The hearing shifted to San Francisco this week and moves to Los Angeles next week.

Farm Problems Studied—The Senate Agriculture Committee met this week to prepare for cross-country hearings. The House Agriculture Committee returns to Washington Oct. 6 for one week of hearings preparatory to a nationwide swing.

Members of a joint housing committee held an informal conference with

Federal officials last week and then went home to look at local situations. Formal hearings will start in October with sessions wherever major shortages are reported.

What will all these hearings produce? So far, a slew of publicity and a wider public interest in some of the irritating problems. Some will provide a base for constructive legislation in the next session of Congress. More certainly, a lot of 1948 electioneering material is being developed.

• **Steelmakers Warned**—The biggest crowd collector was the Washington hearing on steel capacity. The unprecedented gathering of top officials of all the major steel companies was called by Republican Sen. Edward Martin of Pa., chairman of the steel subcommittee of the Senate Small Business Committee.

Sen. Martin warned the industry leaders that government regulation or even nationalization could result if they failed to alleviate present shortages.

The combined judgment of industry witnesses, expressed in reply, is that it will be at least two years before domestic demand can be met in full.

• **Capacity Studied**—No official statement was made of the production level at which balance is anticipated. Ingot capacity is about 914-million tons today.

AROUND THE TABLE (left to right): Benjamin F. Fairless, president, U. S. Steel; Eugene Grace, chairman, Bethlehem Steel; George R. Fink, president, National Steel; Frank Purnell, president, Youngstown Sheet & Tube; Admiral Ben Moreell, chairman, Jones & Laughlin; Tom Girdler, chairman, Republic Steel; Hiland G. Batcheller, president, Allegheny Ludlum; Newell H. Orr, vice-president, Colorado Fuel & Iron; Wilfred Sykes, president, Inland Steel; Henry A. Roemer, chairman, Sharon Steel; W. W. Sebald, executive vice-president, American Rolling Mill; Archie J. McFarland, president, Wheeling Steel; J. L. Neudoerfer, vice-president, Wheeling Steel. The fourteenth man is an unidentified stenographer.

Expansion now under way in the industry will add about 2.5-million tons of ingot capacity in 1947 and 1948, according to the American Iron & Steel Institute. Steel men vehemently opposed any capacity expansion substantially greater than this.

The day before the industry symposium, Otis Brubaker, research director of the United Steelworkers (C.I.O.), urged governmental action on expansion—long-term low-interest loans by RFC, "some sort of guaranteed market," or, failing results from these, government building and leasing of facilities.

• **Farm Co-ops Hit**—At the two-day Seattle session on farm cooperatives, the plaint of business was the same throughout: High federal income-tax



BOEING'S JET bomber rolls out into the open

V-Shaped Wings for Jet Sky Mastery

Boeing Aircraft Co.'s thin-winged Stratojet bomber, the XB-47, reflects the latest thinking on ultra-fast plane design. Wings are swept back sharply to slice through air masses piled up at high speeds. The six-engined craft is 108 ft. long, has a wing span of 116 ft.

Unlike many aircraft companies, Boeing is busily boosting its payroll as it begins final production stages of its B-50 bombers and Strato-cruisers. Lately it has added some 200 skilled employees a week at the Seattle plant. Employment is now 12,500 against 10,000 a year ago.

rates now give cooperatives a sharp competitive advantage, and the plowing back of patronage dividends has financed a vast growth in the past decade.

W. C. Raugust of the Odessa Trading Co. told the House Small Business Committee how he had converted his business to meet competition. To each customer he sold one share of \$100 preferred stock. With the purchase, the customer became eligible for patronage dividends at the end of the year, just as in a cooperative. Last year Odessa Trading Co. did \$3-million in business, distributed more than half its net income to patrons, and paid \$25,000 tax on the net income that remained.

Bigger business was at the hearing, too, seeking relief. Moritz Milburn, president of Centennial Flouring Mills Co., protested: "We see no reason why a cooperative flour mill turning out flour sold in commercial channels should not pay taxes just as we do."

• **Food Prices**—A Congressional group listened to a dozen witnesses at Providence tell why they thought food prices were high.

The eastern subcommittee of the Joint Committee on the Economic Report, headed by Republican Sen. Ralph E. Flanders of Vt., seemed to know what it is looking for. It was well informed

on what makes the economy click. It was quick to talk back to witnesses.

Chairman Flanders commented on a C.I.O. representative's statement that labor is less than half of total manufacturing cost. Flanders said for the record it is nearer 80%.

A representative of the New England Flour Distributors Assn. said the trouble lay with the farm price program. He called on Congress to end supports. The president of the Rhode Island Independent Grocers Assn. said cost of goods sold rose higher than retail prices.

• **Miners Want Premiums**—Mine owners and miners from California and Nevada strongly protested the end of wartime premium price payments for metals at the Reno hearing. Marginal zinc, copper and lead miners were leading critics before the House Small business committee of President Truman's veto of the premium plan.

A strong quicksilver delegation charged foreign competition by an Italian-Spanish cartel is bringing the domestic industry near to extinction. Every witness criticized the government's estimates of the nation's mineral wealth.

An intensive housing investigation has been initiated by a subcommittee representing House and Senate banking

committees. Various federal officials were heard last week to determine if the study may be carried out effectively.

The housing group wants to know (1) the effect of existing law on shortage and high cost of housing; what can be done to cut costs; (3) building codes may be brought up to date; (4) how financing of construction can be improved; (5) how slum clearance can be carried out most effectively and (6) what effect real estate taxes has on the housing shortage.

Basic Chemicals Join Price Parade

Heavy chemicals—the kind industries use by the millions of tons—are beginning to join other commodities in the upward price spiral.

• **Forced Higher**—All through the week makers of heavy chemicals held their prices stable. Now rising costs of materials, production, labor, transportation have caught up with them. Another expense item: Many firms had to overhaul or replace war-time equipment.

Such basic chemicals as caustic soda ash (BW—Sep. 6 '47, p. 52), chlorine are being offered at increased prices for fourth-quarter delivery. In the past few weeks soda ash has risen 10¢ per 100 lb. to \$1.30 per 100 lb. for the most widely used type; caustic soda is up to \$2.25 per 100 lb., also a 10¢ rise; chlorine now \$2.25 per 100 lb., a 25¢ rise.

• **Basic to Industry**—The increases are felt by a wide segment of industry. Last year, for example, some 4.5-million tons of soda ash were consumed in the U.S. Glass makers used 1.4-million tons, soda makers 120,000 tons, the pulp and paper industry 190,000 tons, the nonferrous metals industry 140,000 tons. Another 910,000 tons went into manufacture of other chemicals.

The situation is similar for caustic soda, 1,850,000 tons of which were consumed in the U.S. in 1946; and for chlorine, 1,164,000 tons of which were produced in private plants.

Adding to the worry of chemical producers—and, more particularly, chemical consumers—is the fact that prices of many other chemicals also are rising. Coal-tar intermediates, several types of acids are higher. Carbon black is due for a boost.

• **Chain Reaction**—Effect of these higher costs will spread to many lines. Du Pont has already increased prices of chlorinated solvents one-half to three-quarters of a cent a pound; American Cyanamid is advancing prices of all its dyes 10% on Oct. 1. Many more such increases have been made or are expected.

Plant-Guard Union Blossoms

Small independent, now confined to Ford plants, may grow powerful. Reason: Under T-H law, rank-and-file unions with plant-guard members lose bargaining rights when contracts expire.

In the 1930's, Detroit was the center for a union which at first was as helpless as any other baby. The United Auto Workers (C.I.O.), nurtured on the great depression, grew into the biggest and one of the most influential labor organizations in America.

Enough Fodder?—Today there is no reason to nurture another such union. But there is the Taft-Hartley Act. And many an expert thinks that the law's provisions might be enough to nourish another important labor organization in a brand new field. If that turns out to be true, it once more will be the incubator. It is there, in the Ford Motor Plant Protection Assn., a small independent. Still in swaddling clothes, it yet fill an important labor void created by the new law.

Bargaining Privileges—Under the T-H law, rank-and-file unions that have plant-guard members automatically lose bargaining privileges. Right now, it is not too important; unions can represent plant guards for the duration of present contracts. Significantly, the most affected have no bargaining rights anyway; they have refused to file Communist affidavits with the National Labor Relations Board.

Nevertheless, the future of the collective bargaining status of plant-guard unions is strictly up in the air. That's where the P.P.A. comes into the picture. It's only four years old, and all of its 26 chapters and 900 members are concentrated in Ford plants. Yet all its future expansion seems to be taking shape.

Features in Offing—Worried over their affiliation with rank-and-file unions might mean, other plant protection groups have already approached the A.F.L. So far, at least one officer of one A.F.L. plant-guard local has madetures to the union. And others are in the offing.

The A.F.L. has been as indifferent to the plant guards' plight as the C.I.O.—two good reasons why the A.F.L. is still independent. A.F.L.'s success was based on the fact that the U.A.W. had already organized guards in some plants, and it didn't want to get involved in any jurisdictional disputes.

Gestapo—In its early days, P.P.A. wanted affiliation with a big union because of its unpopularity among the rank-and-file. The U.A.W. had always

it can't get its demands in negotiations, and feels the demands are reasonable, it takes them to court. That sounds expensive, but the union often gets what it wants before hearings end.

Nor have the union's demands been slight. Their Ford contract includes portal-to-portal pay, six paid holidays (granted last year before U.A.W. had taken up that torch), vacation and sick leave schedules, and adequate relief and shelter. The last two items can often mean more to a plant guard than a pay raise. For he's outside in all kinds of weather.

The association is now negotiating with Ford on contract changes—including pay raises—for its 26 chapters. (All are in Detroit and outlying Michigan plants, except for one at Memphis.) During the talks, the association bargains for all 26 chapters as a whole, but will sign four different contracts—for Rouge, suburban Detroit, Lincoln, and Memphis plants. It also intends to ask for a clause which will punish any side which violates the contract. If the clause is granted, the company will pay the union \$500 for any proved violation, and vice versa.

• **Spokesman**—Guiding spirit of P.P.A. is soft-spoken, mild-tempered Herbert E. Munro, Detroit attorney. Munro has plant experience to back up his legal training.

During the war, the Detroit Bar Assn. asked members to volunteer their services in war plants. Although he was in his fifties, Munro went to work as a plant guard at Ford. For several years he was on the job eight hours a day, seven days a week—and still kept up his regular private law practice.

Ford's plant guards were just beginning to organize at the time, and asked Munro to act as legal counsel. Now he is the organization's spokesman, and its members rely heavily upon his judgment.

The association is presently filing necessary financial data with NLRB. Munro, President Michael Savage, and other officers are anxious to comply with the new law. As for the non-Communist affidavits, they say, somewhat proudly, that they banned Communists from their group long ago.

• **Wait and See**—Meanwhile, filed away in the association's records are requests from other groups interested in joining them. P.P.A. hasn't acted on them yet. But it thinks that maybe in a few months it may be in better position to expand.

The unusual tactic of letting the men seek out the union, rather than conducting a high-powered organizing campaign, will be interesting to watch. The quiet confidence of the little group may well turn it into a large labor body, powerful because of the strategic jobs of its membership.



GUARDIAN for Plant Protection Assn. is H. E. Munro, general counsel.

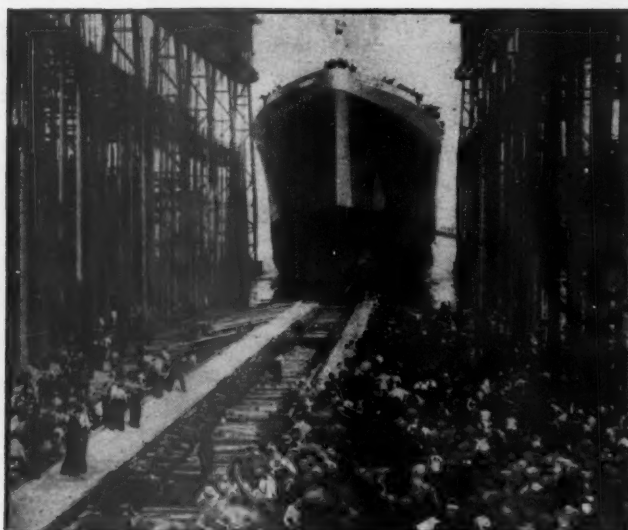


UNION HEAD Michael Savage, proud of P.P.A., is eager to comply with T-H law.

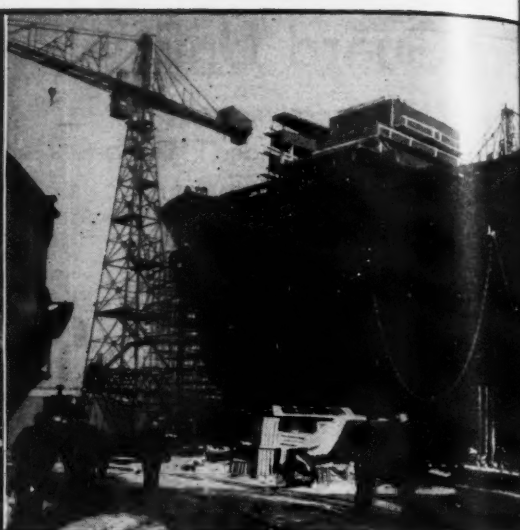
looked down its nose at Ford's plant-protection men. The auto union's favorite synonym for plant protection was "Gestapo"; fights between plant guards and production workers were commonplace. But gradually P.P.A.'s reputation improved, won the respect of both the unions and management.

Today, P.P.A. feels secure enough to stand on its own. It is a closely knit group with responsible leadership and membership—a fact which is born out by a record clear of strikes. And it's because the P.P.A. wants to keep that record clean that it so far has hesitated to take in other groups.

• **Clean Record**—Ford management has come to rely on the fact that P.P.A. will not strike. That's fine with the association; it doesn't want to strike. If



BRITAIN, first in shipbuilding, launches a new liner



SWEDEN is sending more than half its output to Norway

Foreign Shipbuilding Booms as U. S. Yards Lie Idle

One of the outstanding industrial feats of the late war was the production of merchant ships by the United States. In five years our 140-odd wartime shipyards turned out the astounding total of 40-million gross tons of shipping—two-thirds of the world's entire seagoing merchant marine in 1939.

• **Rise and Fall**—This single, salient fact changed the world maritime picture for the second time in a generation. In 1939 the U. S. merchant marine had some 1,400 ships totaling 8-million

tons—or about 14% of the world total. At war's end, the U. S. flag flew on more than 5,000 oceangoing ships.

But now all this is changing—just as it did after World War I. U. S. shipping lines currently own 600 to 700 vessels (about 6-million gross tons) and operate another 1,300 under government charter—a total of only 2,000. The rest of the wartime fleet is being used to help restore the war-wrecked merchant marines of the world. Under the Merchant Marine Sales Act of 1946, foreign

countries have bought nearly 1,000 ships from the Maritime Commission. Britain has taken over more than 1,000 tons, France more than 600, Greece 700,000, Norway 400,000.

• **Shipyards Idle**—U. S. shipyards, long ago the world's busiest, dropped to sixth place, just behind (chart). Employment has nosed from a wartime peak of more than 2-million to less than a tenth of that. Because of strikes, (BW—Sep. 6 '47), high costs, and other factors, U. S. yards only have 29 ocean-going vessels on ways at this time—and 12 of them tied up in struck yards.

Elsewhere in the world, however, hammers and riveting machines noisily restoring the decimated foreign merchant marines.

• Britain had on its ways at the end of June 2,062,949 gross tons, 53% of the world total under construction. It was just short of Britain's 1922 record high. Some 28% of this construction was earmarked for foreign register.

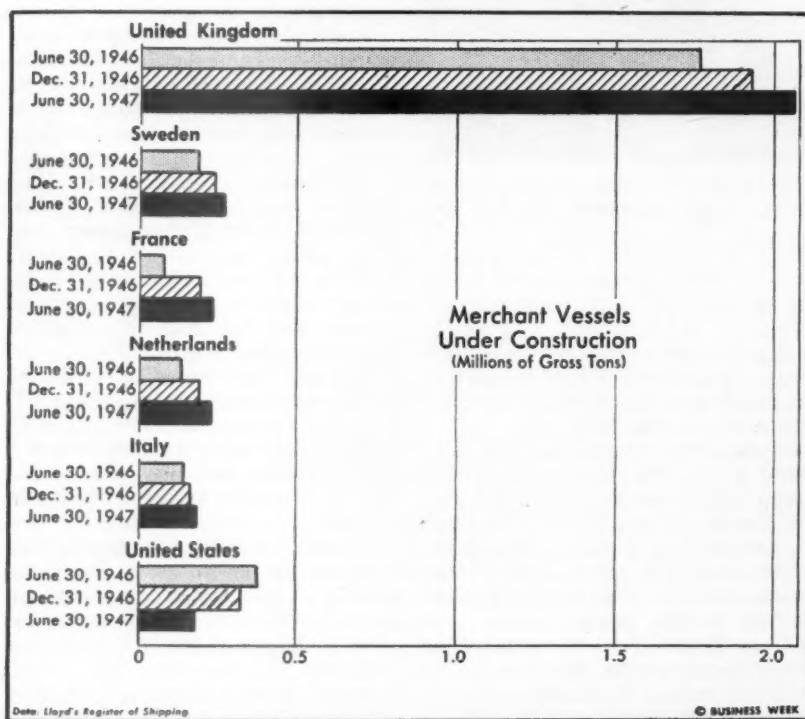
• Sweden is second to Britain with 2,905 tons under way. More than half will go to Norway, which is using British, Swedish, Italian, and other yards to restore some 2,500,000 tons of shipping lost in the war.

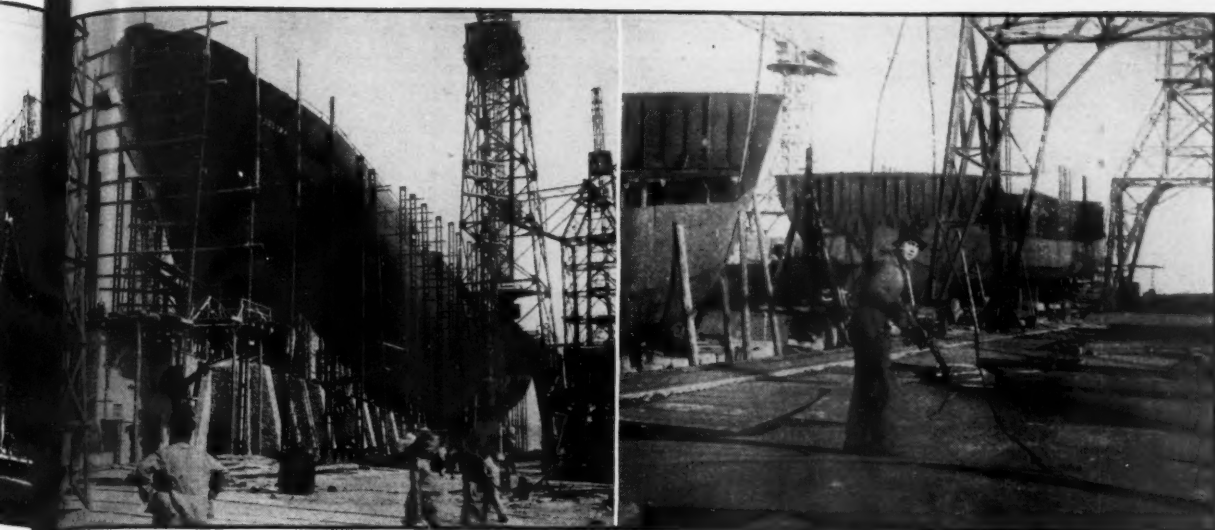
• France's shipyards are devoted almost exclusively to rebuilding the French merchant marine, which lost two-thirds of its 3-million prewar tonnage.

• The Netherlands, like France, mainly interested in its own shipping.

• Italy, on the other hand, is doing large foreign business. More than half the 191,000 tons on the ways will go to foreign lines.

Shipyards in other nations are





FRANCE first rebuilt its yards, now rebuilds its fleet

NETHERLANDS, too, is concentrating on its own ships

For instance, Canada (161,000), Denmark (139,992), and Belgium (146) are building heavily for other countries. The Soviet Union, with extended shipyard facilities, may emerge in 1950 as an international maritime competitor for the first time.

Subsidy—The U.S. is once more caught in a classic squeeze play—high costs at home, low costs abroad. Though Britain's shipbuilding costs probably have doubled since prewar days, they are 50%-55% less than ours. Italy's are Sweden's run 60%-70% lower, Denmark's 75%, Japan's 80%-85%.

To narrow these gaps and encourage domestic shipbuilding, the government has granted subsidies to cover the differential between U.S. costs and those in the "most favorable" foreign shipbuilding center. For the two fiscal years of 1946-47 and 1947-48, the Maritime Commission has \$99-million available

for such purposes. But currently only 7 of the 29 ships on American ways are covered by subsidy. Most of the others are either being built for foreign-flag lines or will not be operated in competition with foreign shipping.

• **Lost Supremacy**—The U.S. merchant marine as a whole is fast slipping back towards the low point reached during the 30's. For passenger vessels alone the picture is even darker. In 1939, the U.S. operated 127 passenger vessels; now it has a mere 39. The America is currently the only large U.S. passenger liner on the north-Atlantic run; one other large ship (the Washington) will probably join it late this year.

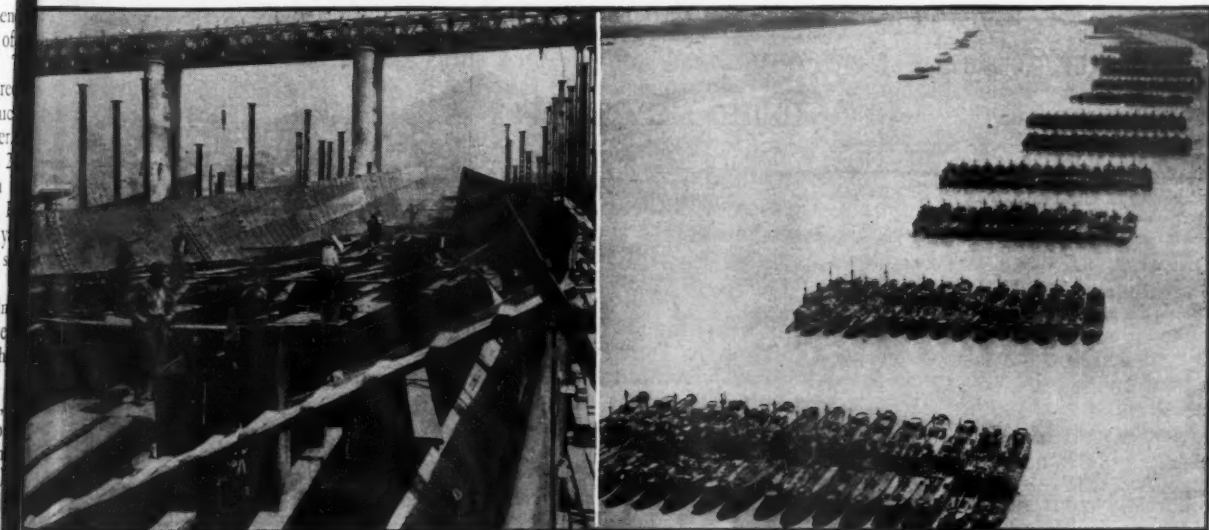
WATERBORNE TRUCKS O.K.'D

At least one new postwar water-shipment venture—albeit domestic—was headed for clear-sailing waters this week:

Converted LST's operated by Trailerships, Inc., began plying the Hudson River between New York and Albany with pay loads. Labor troubles which had beset the truck-trailer river line since Aug. 15 (BW—Aug. 23 '47, p74) had been settled.

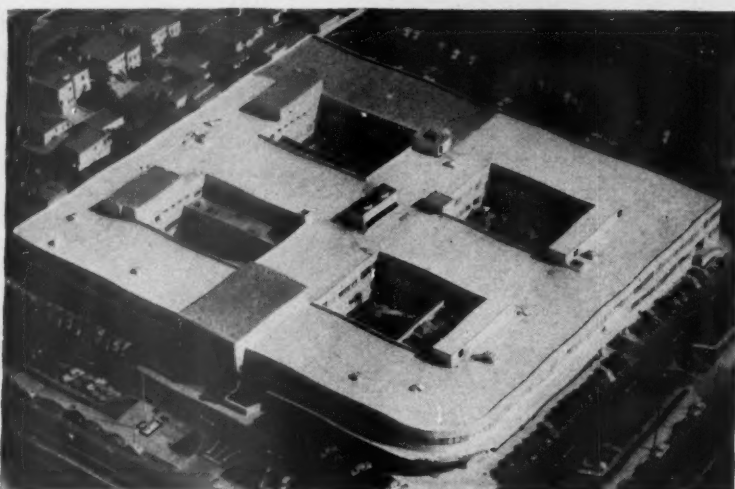
Terms of the new concern's peace pact with a local of A.F.L.'s Teamsters Union were not immediately announced. The local union had protested that "the place for trucks is on the road—not on boats." It had objected to the loss of driving time and mileage for over-the-road truckers, and had ordered members not to drive onto the LST's.

Trailership will make six overnight sailings from New York and Albany weekly. Each ship can carry 50 30-foot truck trailers, fully loaded. The company began operations with contracts with 25 trucking concerns.



ITALY has earmarked many new ships for foreign lines

U.S.A.: Idle ships at anchor in a "graveyard" off California



HOUSEWARMING FOR REXALL

New headquarters for Rexall Drug Co.'s high command is this spacious structure on Los Angeles' Beverly Boulevard, opened this week. Functionally designed, the building has four interior patios which provide light for inside offices—and rest spots for employees. An ultra-modern drug store in the northwest corner (center foreground) sports a fountain room that seats over two hundred.

Auto Jam Problems Handed Back to Cities

Traffic congestion costing millions of dollars daily is the most serious problem facing American cities today, but there is no magic national solution. That will have to come at the local level, and will vary widely.

On these points 300 businessmen, city planners, and civic leaders agreed in a two-day national conference on urban problems called by the U. S. Chamber of Commerce last week in Washington.

• **Parking Costs a Problem**—High point of discussion was: Who should pay for parking facilities—private capital or municipalities? Most of those attending agreed private capital should have first chance. If that failed, then the cities would have to step in to conserve downtown values, tax revenues, and mortgage structures.

The conference generally agreed there should be more restrictions on downtown parking, more enforcement of traffic ordinances, better timing of traffic lights and stricter regulations on loading and unloading trucks in congested downtown streets.

• **Superhighway Deficiencies**—Advocates of expressways were numerous, even though it was admitted such arteries continue to pour more and more vehicles into slow-moving traffic at their final destination.

Fringe parking lots outside city busi-

ness districts with bus shuttle service downtown were reported growing in popularity. But some authorities said they do not solve the joint problem of the all-day parker and the in-and-out shopping parker.

Another problem is arising from the fact that cars are getting longer and wider. This has already forced the sale of some older garage properties in Detroit because they could no longer operate economically.

Automobile industry representatives who listened in at the meeting privately wondered how long it would be before their industry might have to step in on the parking problem. Sales might some day reflect rising owner disgust at traffic congestion.

UNITED MOVES WEST

Denver will be the new home of United Air Lines' operating and passenger-service divisions, the company has announced. The move will be made as soon as adequate office and housing facilities can be obtained. Present headquarters are in Chicago.

Reasons for the shift, according to William A. Patterson, United's president: The company's recent acquisition of the Denver-Los Angeles run from Western Air Lines (BW—Sep. 13 '47, p31) makes Denver the logical hub of United's domestic operations; now that United also operates a regular scheduled service to Hawaii, Denver is approximately the geographical center of the entire system.

Business as Usual

That's the story across the nation despite cashing veterans' terminal leave bonds. Effect on trade is slight.

Money received by veterans from cashed-in terminal leave bonds is barely making a ripple in the spending stream. • **No Bulge**—Although there was quite a rush on the banks the first few days the bonds were redeemable, the new money did not produce any decided bulges in the channels of trade. And the banks themselves claim they got only a fractional piece of the total proceeds in the form of deposits.

During the first 10 days in which 8 million World War II veterans cashed in \$1.8-billion in bonds, a total \$656-million had been cashed, according to the U. S. Treasury. This may not be the entire amount since the banks had 30 days in which to report redemption.

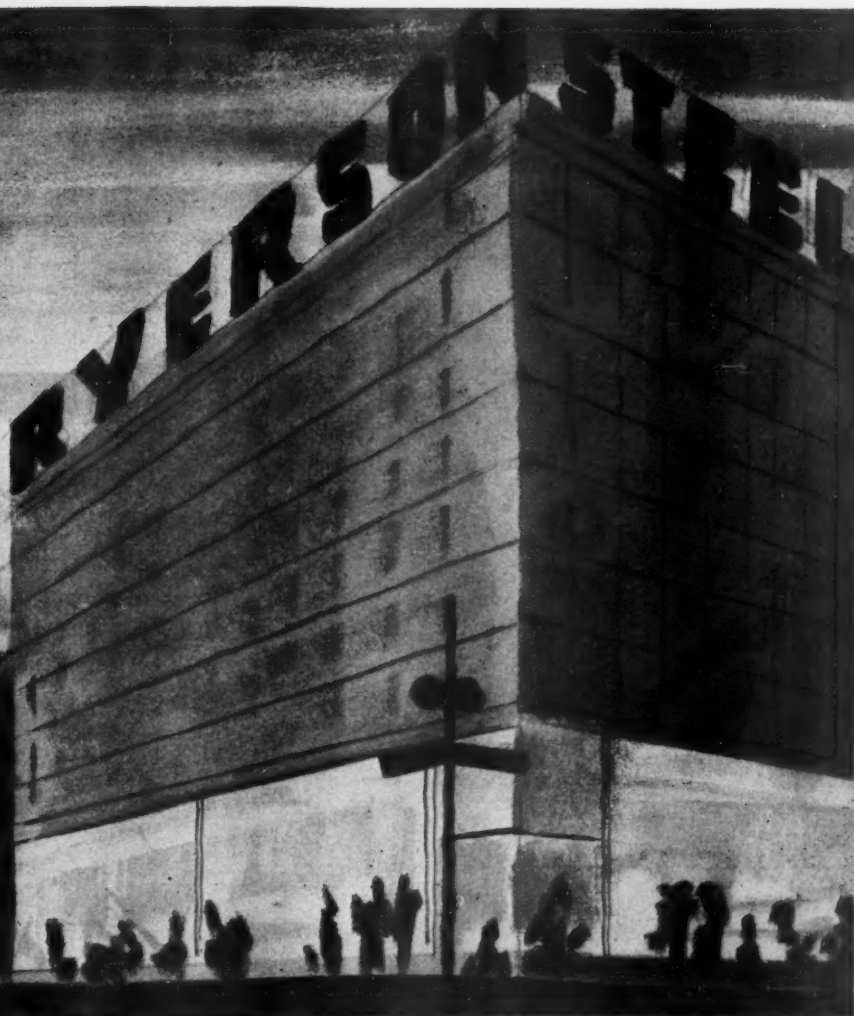
• **Effects Unlike '36 Bonus**—However, it is apparent that bonds cashed to date have not given much of an inflationary shot in the arm to the national economy. This is partly attributable to the fact that the national income is high—\$200-billion estimated for 1947. So, the bond windfall is small in proportion. This was not the case in 1936 when the soldiers' bonus added \$1 billion to national income of \$67-billion in that year.

Throughout the country, the dispersal of bond money in the first half of September was wide and varied. Some of the money went to pay bills, loans. Part of it went to pay taxes. Some veterans bought automobiles, home appliances, or other large dollar items. And a good spent part or all of their newfound gains just to have a good time.

• **Detroit**—Stores in Detroit reported they hadn't noticed any pickup in volume; in fact, business has been rather slow. One store reported the dollar amount of each sale is running slightly higher, but the manager says the difference isn't enough from which to draw any real conclusions. There was also straggling of payments made by veterans on past-due credit accounts.

Bankers in the motor capital say that practically none of the bond money was deposited. They didn't expect that to happen, though, for those interested in savings would be better off to hold the bonds and draw 2½% interest.

• **California**—Retail store volume surged a little the first day of bond cashing in San Francisco. But even so there is no firm assurance that the bond cash was responsible. And the Retailers Credit Assn. of San Francisco, Inc., says the



the Department Store Idea

When you think of a Ryerson Plant, picture a huge department store featuring all kinds and shapes of steel. In place of the ordinary sales personnel, think of a large staff of experienced steel men—a sales department that's been carefully trained to guide you in steel purchasing—to see that you get the exact steel you need for the job at hand.

And, when you think of Ryerson Steel-Service, think of a smooth-flowing system of steel supply that eliminates every unnecessary delay between your desk and point of delivery. Think of the most modern steel storing, cutting and shipping methods and methods based on more than a century of performance. And remember that Ryerson Steel-Service operates with the same efficiency and promptness

whether your order calls for pounds or tons.

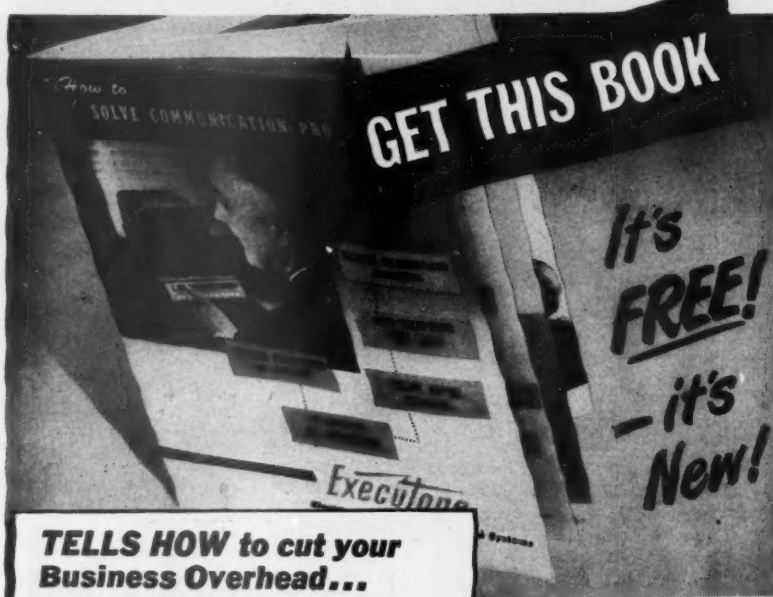
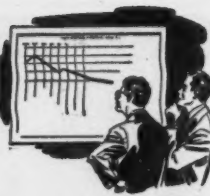
Naturally, today's great demand for steel frequently unbalances our stocks. But if the steel you need is not immediately available, we'll gladly do everything possible to supply you with a practical alternate.

What does it all add up to? Well, just about the last word in steel-buying convenience. And it's all yours when you contact a Ryerson Plant for any steel requirement.

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is no indication up to now that overcharge accounts were cleaned up in great volume. Weinstein Co., a volume, low-price department store, a better-than-average week when bonds were first cashable, but sales quite a bit below what the store expected.

Bank of America's 500 branches throughout California cashed \$22,400 worth of bonds in the first two days. As far as the bank could tell, more than 5% of the veterans deposited the proceeds.

The San Francisco Used Car Dealers Assn. said that its members reported a mild spurt in sales on the first two days of bond cashing which petered out the third day.

• **Cleveland**—A good portion of money received by Cleveland veterans seemed to be spent for bills, such as stetricians and as down payments on homes. There were three reported instances where the money was applied to government insurance. At least half the money is estimated to have gone to intangibles, including travel vacation. Some ex-G.I.'s put their money into savings accounts, claiming they wanted where they could get it quickly.

Cleveland retail stores said no effect was felt on their business.

• **Chicago**—Banks in Chicago reported only a fraction of the veterans deposited their funds. One big outlying bank it opened 25 savings accounts and nickel checking accounts the first day. A few department and furniture stores reported that business picked up for a couple of days right after the first cashings. This was not true, however, large stores in Chicago's Loop.

Used car lots were overwhelmed, resulting in prices going up slightly because of this new demand. A Ford dealer said he had a lot of inquiries about new cars but most people were disgusted when told delivery was 12 to 15 months away.

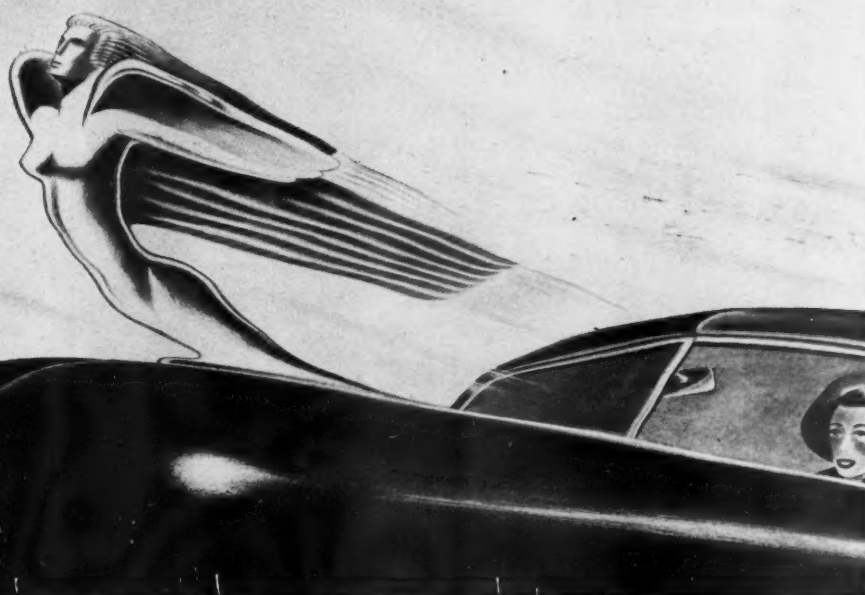
THREE DIMENSIONAL ENTRY

Another contender in the race to commercialize three-dimensional photography has entered the lists.

He's Kurt Heath, Denver photographer, who announces he has an option on the U. S. rights (except in New York City) to a process controlled by Reliography of Paris and Brussels.

Like two U. S. processes—Trivision (BW—Jun. 21 '47, p20) and Akrovis (BW—Aug. 30 '47, p32)—the foreign one also employs ridges or lenticulated lines to produce optical relief. The major difference is in the lens, which makes exposures through a slit as the camera travels a round track. A naturalized Belgian, Heath needs better than \$150,000 to get rolling, is planning to incorporate.

When it's a question of GOOD FORM ...



... there's no question that you need **BRASS**

YOU'RE always "in good shape" when you work with Brass. For no other metal behaves so well under all operations. No matter whether it's deep-drawn, spun, stamped, turned, or tooled in any way, you can always count on *consistent co-operation*, metallurgically, from the particular Bristol Brass alloy you use. Often Brass can be intricately formed in one operation, where another material would take several operations.

The modern mills here at Bristol regularly supply Brass sheet, rod, and wire to many na-

tionally-known fabricators with a calculating eye for costs . . . who find Brass their most profitable basic material at all times.

As a matter of fact, there are score of uses — from turbines to turban-ornaments — in which no thoroughly satisfactory substitute has ever been found for Brass . . . cost-wise, production-wise, or market-wise. And it may well be that there's such a place awaiting Brass right in your own product right now. It would bear looking into anyway, wouldn't it? *When?*

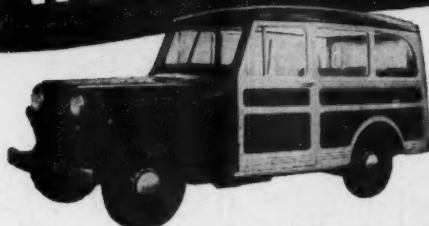
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PRESSTITE #261 Spot Weld Sealer

**Seals and
Rustproofs Seams
of the "Jeep" Station
Wagon Body**



The Willys-Overland "Jeep" Station Wagon—body built by Hayes Mfg. Corp.

The stamina and endurance of the wartime "Jeep" continues today in the Willys-Overland "Jeep" Station Wagon. Contributing to the long life of these car bodies, built by Hayes Manufacturing Corporation, is the extensive use of Presstite #261 Spot Weld Sealer.

All seams subjected to road splash or water are sealed with Presstite Spot Weld Sealer. These seams include: drip rail to roof panel, side panel top flange to roof, floor pan assembly and wheel housing. Thus another leading manufacturer recognizes the superiority, ease of application and effectiveness of one of many Presstite Sealing Compounds.

If your assemblies involve spot welding or the sealing of any joints against water, moisture or air, Presstite's wide range of sealers and years of experience may well enable you to do the job better, easier and for less. Send for samples, giving us your requirements and specifications today.

Products of Presstite Engineering Company Serve These Industries

Refrigeration: Sealers for domestic and commercial refrigeration—Extruded plastic shapes—Moisture and vapor proof paper.

Automotive: Special body and fender sealing compounds—Sealers for spot-welded joints—Windshield sealers.

Aviation: Special seam sealing tape—Fuel tank and pressurized cabin sealers.

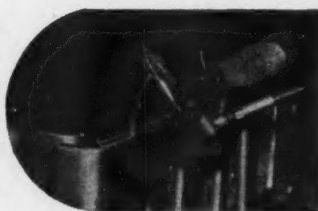
Railroad: Adhesives—Car cements—Protective coatings—Glass sealers.

Building and Construction: Special build-

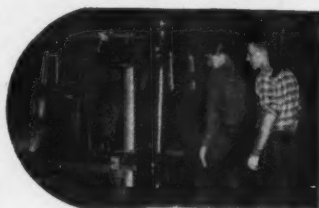
ing and sheathing paper—Caulking compounds—Greenhouse glass sealers—Concrete curing compounds—Sewer joint compounds—Expansion and contraction joint sealers.

Wholesale Jobbers: Roof coatings—Caulking compounds—Furnace cement—Patching plaster.

Miscellaneous: Corrosion resistant sealers for metal fabricated joints—Molded cork-asphalt shapes—Special adhesives and sealers for many other uses.



Application of Presstite #261 Spot Weld Sealer to top flange of side panel.



Body in fixture—spot welding roof assembly.



BIG BUBBLE in the novelty field, plastic balloon sales are soaring high.

Plastic Balloons

Novelty toy is a thumping success—not only with kids. Sales soared 2,500% this month. Vinylite is chief raw material.

Kids everywhere these days are blowing plastic bubble balloons. Their elders, in the night club set, too, are going for the new craze. Even in business offices dignified executives are blowing balloons and releasing them out the windows.

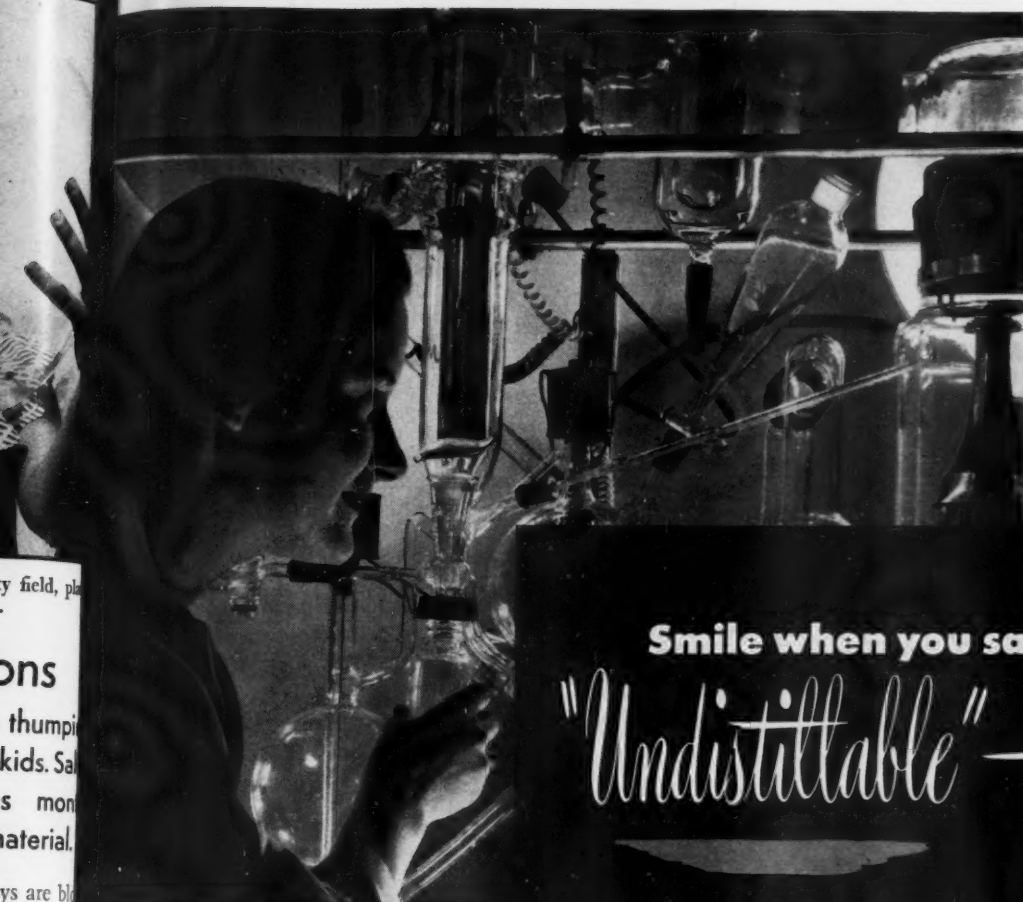
It's a fad that has grown to big-business proportions in a few weeks. A month ago Bub-O-Loon Inc., distributor of the product, was selling 15,000 tubes a day; last week the business had grown to a daily 250,000; this week orders were up to 400,000. That's a quick gain of about 2,500%. Bub-O-Loon thinks it has got hold of a \$1 million-a-year sales novelty.

• **Start**—Bub-O-Loon was first introduced last March at the Chicago Toy Show. Today the novelty product is sold by variety chains and toy outlets wherever there are kids—young or old. It comes in two sizes: a 1-oz. tube for 29¢ a 2-oz. tube for 49¢. Originally Bub-O-Loon was colorless; now there's a rainbow mix, with other colors to follow.

So far, there hasn't been any advertising—sales grew spectacularly without it. (A few variety chains have undertaken store-window demonstrations.) Nor has there been any mention of possible sales promotions. But balloon derbies are likely to be held (the plastic balloons will stay in the air for hours). In fact, some people are beginning to suspect that the introduction of the new craze



PRESSTITE ENGINEERING COMPANY
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Smile when you say
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If you have raw materials or by-products containing "hidden assets"—values that can not be extracted profitably by regular methods—

Molecular Distillation may surprise you. Here are two ways to find out:

1. Install a DPI laboratory-scale Molecular Still for your research department.

Equipment developed by DPI scientists for high-vacuum research has opened new doors for industry. The Falling Film Molecular Still, pictured above, is one of two principal types of stills we offer for industrial research work. The molecular still is the only class of

instrument able to distill many kinds of oils, waxes and fats at low temperatures, without heat injury to the materials. With one of these stills, your researchers may find value in substances you have considered to be undistillable.

The Falling Film Molecular Still and its companion, the 14-inch Cyclic Centrifugal Still, are unique tools born of DPI's pioneering research in high-vacuum technology—research which more and more industrial firms and laboratories are using to practical advantage.

Or—here's another way to find out whether Molecular Distillation can help you:

2. Ask our Experimental Distillation

Department to run tests on samples you provide.

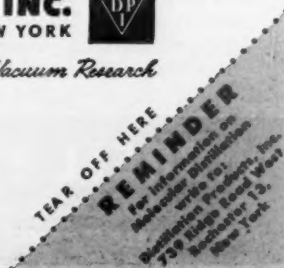
Let us see if your "undistillables" can be fractionated in a molecular still. We will furnish you with samples of the fractions distilled and a detailed report of our findings, to help you decide whether molecular distillation can mean extra revenue for you. Any work we do for you is strictly confidential, of course.

Our Experimental Distillation work to date has led to many interesting new developments, a good many of which prove profitable to our customers. We invite your letter asking for complete information about Molecular Distillation.

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Boosts Worker Morale

AIDS PRODUCTION!

High standards of plant housekeeping contribute to high worker productivity. So it is important to keep floors clean, and for still other reasons: Clean floors aid safety underfoot and reduce fire hazards.

It is important also—with the urgency for reducing costs—to cut the cost of floor-cleaning wherever possible. And it is possible, in many plants and textile mills, through the use of mechanical equipment that both scrubs and picks up. Finnell makes such equipment in several models and sizes to meet varied needs. Illustrated above is a Finnell Self-Propelled Scrubber-Vacuum for use on large-area floors. A complete cleaning unit *all in one*, this Finnell applies the cleaning solution (or scouring powder), scrubs, rinses if required, and picks up. Has a cleaning capacity up to 8,750 sq. ft. per hour!

Finnell makes floor-maintenance machines for every type of floor care—wet scrubbing, dry scrubbing, dry cleaning, waxing, and polishing. Also a full line of *Cleaners, Sealers, and Waxes*, as well as *Steel-Wool Pads, Mop Trucks*, and other accessory equipment.

For free floor survey, consultation, or literature, phone or write nearest Finnell branch or Finnell System, Inc., 3809 East Street, Elkhart, Indiana. Canadian Office: Ottawa, Ontario.

FINNELL SYSTEM, INC.

Pioneers and Specialists in
FLOOR-MAINTENANCE EQUIPMENT AND SUPPLIES

BRANCHES
IN ALL
PRINCIPAL
CITIES

had something to do with this summer flying-disc mystery.

• **Inventor**—Dr. Ferdinand Ringer, a trian chemist and experimenter in physics, developed the balloons in his New York laboratory. When the laboratory began to look like a bubble-bath, friends took over, decided to try to develop a market.

Matthew (Matty) Fox, vice-president of Universal Pictures, was one of the friends. He brought in a New York man, Bud Mesberg, to help get distribution started. Today Mesberg, as a manager of Bub-O-Loon, is a worried man. But it's a pleasant worry—how to fill the ever-increasing mass of orders that keeps pouring in.

• **Vinylite**—Principal raw material Bub-O-Loon is Vinylite, made by Bakelite Corp. of New York. (Other familiar uses of Vinylite: for food packaging; as a sprayed-on "cocoon" to preserve U. S. war materiel.) Bakelite began by supplying Bub-O-Loon with about a ton of Vinylite a day; it now ships 10 tons a day to the company's nine factories, strung from Brooklyn to St. Louis.

Several companies, from ice cream producers to cereal makers, want to use Bub-O-Loon as a premium to promote sales of their products. The makers say that these requests will have to wait a few weeks, however, until orders from department and dime-store customers are filled.

ESSO SHOWS THE WAY

Gasoline and fuel oil prices in the East began breaking last week against the stone wall of the "hold-the-line" price policy set by Standard Oil Co. (N. J.) recently (BW—Sep. 6 '47, p. 16).

Five marketers—Shell Oil Co., Texaco, Gulf Oil Co., and Atlantic Refining Co.—cancelled recent price increases of about half a cent a gallon. This brought their prices back to the level which Esso marketers had maintained.

Barring unforeseen events, oil men expect other competitors in Esso's territory will also conform to Esso's prices.

AUTOS FOR AIR TRAVELERS

Businessmen who use the airlines may soon share the same drive-it-yourself service that automobile rental firms offer rail passengers at their destination.

Hertz-Drive-Yourself, enthusiastic over the rail-auto service it recently revived (BW—Apr. 19 '47, p. 52), is working out a similar tieup with air carriers. The firm hopes to have the service going within a month.

The Hertz system now has 26,000 odd cars and 7,000 trucks working in 250 U. S. and Canadian cities. By next year, the firm hopes to bring the total up to 50,000 cars in 500 cities.

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TODAY'S STYLE, a la Hollywood: Lucille wears a Jean Louis suit with moderate padding, in a current film.

Hollywood 'Look'

Movie dress designers feel that conservative style changes they adopted months ago will be what U. S. women settle on.

Hollywood designers must sheath film actresses in styles that will be fashionable where movies are released a year or two hence. So they can offer little comfort to either side in the controversy over the "new look" in women's garments (BW—Sep. 6'47, p21).

Advantage—But Hollywood designers have a great advantage over those of New York and Paris: They set the fashion pace for that far greater segment of the population that places glamour above high style. Thus their middle-of-the-road attitude on the lower hemline, padded hip, and the rounded shoulder is likely to resolve the debate in a practical compromise.

Hollywood's leading studio and free-lance designers operate on the well-entrenched assumption that nature has endowed few women—even the screen goddess—with all the anatomical attributes, so they will continue to tailor their designs to individual requirements—and mutations.

"Don't Be Bullied"—Adrian, for example, will concede an additional two inches of skirt length in daytime apparel, three inches after 5 o'clock. But he will design nothing so drastic as the ankle-length hemline. "Don't be bullied," he warns his following. Adrian is sticking to square shoulders and the slim silhouette.

Motion pictures have been promot-



but he Wasted Time Today...

Joe has just finished a fair day's work, and he's mighty tired—but it's a fact that he wasted time today. He stayed right on the job—no loafing for him—yet the time he spent lifting and lugging heavy materials and getting heavy work into his machine and out again was not productive time. There are many Joes in industry today, but their numbers are decreasing constantly, mainly because plant engineers are learning that continuous flow handling methods eliminate this inefficiency, and are applying these methods. A smooth, controlled flow of materials to machines goes a long way toward increasing production and keeping worker fatigue at a minimum. Mathews Engineers are specialists in continuous flow handling methods, and make available to American and Canadian industry the facilities of three modern strategically located plants, and the benefit of many years of experience in dealing with conveying problems in both light and heavy industry.



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Nearly ten thousand Alberta coal miners produced 8,824,455 tons of coal last year. In 61 years of mining, they have touched less than half of 1 per cent of estimated reserves. Over 60 per cent of the coal produced is good quality bituminous, with 198 active mines throughout the province. Alberta has coal, oil, natural gas, power, labor, and vast mineral wealth. It's industry's new horizon, in a free land of free enterprise!

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DEVELOPMENT BOARD
Administration Building



GOVERNMENT OF THE
PROVINCE OF ALBERTA
Edmonton, Alberta, Canada

AG-9



TOMORROW'S PREVIEW: Edith Head design for a Gail Russell picture, "Night of a Thousand Eyes," for release next June. Hem is 12 in. above the floor.

ing a modified "new look" for many months. All the top studio designers have been building more fullness in their stars' clothes for nearly two years. The average Hollywood star's hemline has been from one to two inches lower than that worn on the streets of Worcester and Seattle.

• **The Old "New Look"**—Stars' clothes are custom-tailored to their individual figures, providing amplitude where nature was skimpy, tapering off or covering up where she was too bountiful. Hence, at least some phase of the "new look" isn't so new to most of the movie's most handsomely adorned bodies.

Hollywood has on hand some 50 feature pictures which were completed or to 24 months ago at an aggregate cost of \$50-million. Designers knew that there would be some kind of trend in women's fashions after wartime restrictions were eased. Since they were inching up on the "new look" before Paramount ever heard of it, they insist that there will be nothing in these pictures to date them. And what American womanhood will eventually settle for, they predict will be much closer to Hollywood's conservatively longer hemlines than the nearly ankle-length proposals of some purveyors of high style in Paris and New York.

• **Temporary Flurry**—The designers anticipate that after a three- or four-month flurry the excitement over the padded hips, rounded shoulders, lower hemlines and depleted pocketbooks will be over. As one designer summed up the situation:

"Most girls feel that they ought to rebel a little about having to junk a large part of their present wardrobes—particularly when there are payments on



Portrait of A RABID MONROE FAN

Once a girl gets her hands on a Monroe, just try and switch her to some other machine—you'll have a tough job on your hands.

She has become convinced that Monroe simplicity and Monroe 'Velvet Touch' ease of operation, enable her to turn out more work and better work with a minimum of strain and fatigue.

Simplicity and ease of operation are basic Monroe advantages in Monroe Calculators, Listing Machines, and Bookkeeping Machines. They are cutting figure costs in thousands of businesses large and small by speeding the work and saving the workers.

Every Monroe user has the advantage of complete figuring and maintenance service through a Monroe-owned branch in every important city.

Monroe Calculating Machine Company, Inc., Orange, New Jersey.

MONROE

MACHINES FOR BUSINESS

CALCULATING • ADDING • ACCOUNTING MACHINES

CUT PRESSURE DROP 50%!



Operating tests prove you can reduce pressure drop in your hydraulic or fluid transmission systems by installing PARKER Globe Valves.

The secret is free flow. The offset body design eliminates pockets and intricate chambers that trap liquids and gases. The result is smoother flow—less turbulence—and less pressure drop—by as much as 50%.

PARKER Needle Valves also keep pressure drop low. You can install these Globe and Needle valves directly into the circuit. Models are available in various combinations of tube ends and pipe threads, thus eliminating awkward adapters that block flow—add weight—and take up valuable space.

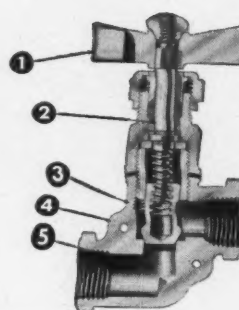
If you're interested in pressure-tight systems for moving liquids and gases, you'll want more information about these precision-made PARKER Valves. Write for Bulletin A52.

THE PARKER APPLIANCE COMPANY
17325 Euclid Avenue • Cleveland 12, Ohio

Plants: Cleveland and Los Angeles
Offices: New York, Cleveland, Chicago, Los Angeles,
Dallas, Atlanta
Distributors in Principal Cities

Parker

TUBE FITTINGS • VALVES



WHY PARKER GLOBE VALVES GIVE TROUBLE-FREE SERVICE

- 1—Prong handle provides easy grip.
- 2—Stem is non-rising type—permits easy installation where space is limited.
- 3—Forged brass body is small, flat, thin, strong.
- 4—Mounting lugs are forged into the body.
- 5—Offset design provides smooth, free flow.

★

PARKER offers manufacturers a complete line of precision-made industrial valves for small diameter tubing systems.



PICK AND PUSH

It's child's play to order victuals in Arthur's Restaurant in Hollywood. You make your choice from a revolving menu device at the table, then push corresponding buttons. Your choice shows up on a kitchen indicator where a human checker jots down the order and table number. There are additional buttons to signal how you want your steak, and No. 19 brings the waiter if you change your mind. The owner, Arthur Davis, takes credit for the invention.

a new house, car, or stove to be. After they've made a little noise, the shut up and go along quietly, even enthusiastically.

This expectation is the guide to studio fashion arbiters are using to sketch the clothes film actresses will be wearing in pictures released late in 1941. • **No Padded Hips**—These clothes still have shoulder pads, but they will be small round ones. Waists will be slim but without corselets, as has been vogue for eight or nine years. Hips will not be padded except for the slim stars. For in Hollywood, as almost everywhere else in America, hips are enough already.

Hip pads, in fact, are one continuation of the "new look" that is doing As one high-priestess of fashion says: "Hip pads are archaic, uncomfortable, expensive, and an all-around nuisance. And what woman could risk being outed on a hip pad?"

Skirts in Hollywood will be fuller longer. Length will vary with the designer, and the dress, but they generally adhere to the Hollywood of thumb: "The better the legs, the shorter the skirt."

If you did the cleaning...

You'd be sure to get the most efficient vacuum cleaner on the market.

Perhaps—out of consideration for the person who does your housecleaning—you've already made sure she has the best!



If you did the typing...

You'd insist on the best all-round typewriter that ever responded to a typist's touch.

But then—perhaps you've already seen to it that your secretarial staff has Royal Typewriters!



Royal wins hands down!

Popularity! A national survey shows that Royal is the favorite typewriter among secretaries and typists—*preferred 2 to 1 over any other typewriter!* Your typists will do more work, better work on machines they prefer to use!

Royal efficiency! There are work-saving, time-saving features on a Royal not found on any other typewriter. Meaning—higher production per machine!

Royal durability! These typewriters are *really* sturdy. Royals stand up, spend more time on the job, less time out for repairs. With Royal, you get the maximum return for your typewriter investment!



ROYAL—World's No. 1 Typewriter

"Gee,
that's Eatin'!"



This young man knows a good thing when he sees it.

Santa Fe dining cars are known the country over for that famous Fred Harvey food . . . courteous service . . . shining silver . . . linens as white as the snow of the Rockies.

Whether it's beefsteak or brook trout or pheasant à la Périgueux that catches your fancy on the menu, you'll have a meal to remember.

In fact, it's almost worth taking a trip just to eat a Fred Harvey meal on a Santa Fe diner!

May we count on serving you soon?

SANTA FE SYSTEM LINES : : : Serving the West and Southwest

T. B. Galliaher, General Passenger Traffic Manager, Chicago 4



AUTOMOTIVE

Cars Set Record

Passenger registrations are 3.5% above 1941, previous high; trucks up 30%. Low junking rate encourages Detroit.

Registrations of automotive vehicles have climbed to the highest levels in history. This statement comes from the U. S. Public Roads Administration, based on reports from state motor vehicle authorities.

• **Up 7.8% Over 1941**—The state officials projected their registration rate forward, and came up with figures which indicated that by the end of 1947 total registrations will run about 37,164,400 units. That is 7.8% above the previous record of 34,472,145 reached in 1941 and surpasses by 9.5% the 33,945,800 registrations of 1946.

By far the biggest part of the advance is in trucks. These gained from 4,859,244 units in 1941 to an estimated 6,492,000 in 1947—an advance of more than 30%. One reason, of course, is that civilian truck production was halted for a much shorter period than passenger car output. Passenger cars gained only 3.5%—from 29,524,101 in 1941 to 30,545,000 in 1947.

• **Gains and Losses**—Southern states accounted for most of the big gains. Advances of 20% total registrations were registered by Arizona, Florida, Mississippi, Nevada, New Mexico, Oregon, Utah, and Virginia. Of these, all but Nevada, New Mexico, and Utah showed advances of more than 50% in truck registrations.

Losses were largely clustered in the north central section. Declines in total registrations came from Illinois, Iowa, Minnesota, Montana—and the District of Columbia. The latter instance was due to the emigration of many government war workers from the capital.

• **Few Cars Scrapped**—The net gain of about 3,220,000 vehicles from 1946 to 1947 contrasts with estimated output this year of approximately 4,600,000 units. This indicates that no more than 1,400,000 vehicles were scrapped in 1946. No figures on 1947 scrapping will be available until next year, since any car registered on Jan. 1, 1947, is included in this year's total even if it was scrapped on Jan. 2. But Detroit doesn't think the rate has gone up much.

Normal prewar junking ran about 3,500,000 units a year—higher in periods of peak new-car sales. The age of many cars on the road today is so advanced

1 Approaching X Too Fast



2 Hogging Cross Walk



3 Starting Too Quick



4 Cutting Corner Too Close



5 Right Turn from Left Lane



6 Hair-Trigger Horn Blowing



HOW TO ANNOY PEDESTRIANS AND CREATE ACCIDENTS!

Here are 6 examples of discourteous . . . and dangerous . . . driving. It's not hard to understand why inconsiderate drivers lead the accident parade . . . why courtesy pays!

True, you can't pass laws against discourteous driving, as you can against speeding. But it can be just as dangerous . . . to pe-

destrians, to other motorists and to you!

Apply the Golden Rule to your driving. The habit of courtesy, once acquired, brings added safety on the open road as well as in town. And make sure you are adequately protected by insurance. It's wise to stay out of trouble . . . and out of court!

"Consult your Insurance Agent or Broker



as you would your Doctor or Lawyer"

U.S.F.&G.

United States Fidelity & Guaranty Co., Baltimore 3, Md.
Fidelity & Guaranty Insurance Corp., Baltimore 3, Md.
Fidelity Insurance Co. of Canada, Toronto

How to Give Your Sales a Lift...



...with TOMORROW'S Gear Lubricants TODAY

Here's a chance for an alert petroleum marketer to get a big head start on his competition. With Santopoid 29, Monsanto's new, all-purpose, gear-lubricant additive, you can now comply with the most advanced specifications—today and for several years to come. You can also blend one, all-purpose gear lubricant that will meet a wide variety of severe operating demands—from high speed, passenger car service to heavy duty service in trucks, busses and industrial gear units. This means you can simplify your inventories and concentrate your sales efforts behind one, superior product... For full technical details write for Technical Bulletin O-47. MONSANTO CHEMICAL COMPANY, Petroleum Chemicals Department, 1700 South Second Street, St. Louis 4, Missouri.

Santopoid: Reg. U. S. Pat. Off.



SERVING INDUSTRY... WHICH SERVES MANKIND



STEP ONE: spotting weak tires



STEP TWO: spotting the license

PROFITABLE SPOT

Spotting "smoothies" on other people's tire rims has proved a profitable enterprise for dealers of Goodyear Tire & Rubber Co. of Canada. Tom Disney, of Kingston, Ont., chief exponent of the system, has a full-time spotter on the job. Goodyear is urging other dealers to try it.

First step is to check parked cars for tires that have been worn smooth and need replacement or repairs. Then the spotter takes down the car license number (above right) with notes on the condition of each tire. A look at the list of car registrations tells him the owner's name and address.

Next thing the owner knows, he receives a form (right) by mail, commenting on the state of his tires, with an invitation to come see the dealer. Almost without exception, owners are pleased to get the free checkup. Resulting sales, Disney reports, average \$5 per car spotted.

NAME PHONE

ADDRESS PHONE

FRONT LEFT
O.K. ☐
NEEDS REPAIRING ☐
NEEDS RETREADING ☐

FRONT RIGHT
O.K. ☐
NEEDS REPAIRING ☐
NEEDS RETREADING ☐

FRONT
LEFT RIGHT

REAR
LEFT RIGHT

LEFT REAR
O.K. ☐
NEEDS REPAIRING ☐
NEEDS RETREADING ☐

RIGHT REAR
O.K. ☐
NEEDS REPAIRING ☐
NEEDS RETREADING ☐

LICENSE NO.

MAKE OF CAR.....

YEAR.....

CHECKUP FORM for car owner

that junk rates would soar well above that average—if replacements were available. Today's apparently low scrapping rate confirms to automotive analysts their feeling that the new-car market still stands practically without horizons.

Revamped Purchasing Saves Steel for Ford

Henry Ford II and his associates plan a complete remodeling of motor-making activities at River Rouge. No small part is being played by the revamped Purchasing Dept.

• **Efficiency**—The Purchasing Dept. has been changed from a rather casually run division to an effective and long-looking

part of the business. One positive result of the transformation was told in Chicago last week by Albert J. Browning, vice-president and director of Ford purchases. Speaking to that city's Purchasing Agents Assn., he revealed that by following purchases all the way from research to production, Ford has found a way to help relieve the steel shortage. The method: using aluminum in certain parts of the bodies.

• **Analysis**—A Purchase Analysis Dept. (one of several sections in Purchasing spreads its operations through all phases of purchasing. It analyzes Ford suppliers, even to the extent of studying their financial statements, and reporting on their operations.

This information is used in various ways. One is to compare quotation

World's Largest Makers of Portable Electric Tools

mechanize payroll

preparation

with a National

Expanding rapidly, The Black & Decker Mfg. Co. found manual preparation of its payroll an ever-increasing burden until a National Payroll Machine was installed. Now, all employees' records are run in one operation. And the 2300-name payroll completed in a single day.

Black & Decker further reports: "a very simple adjustment makes it possible to use the machine also for analytical work; including analyses of closed manufacturing orders, scrap reports (by departments to be charged), invoice distributions, etc."

Have your local National representative show you how the National Payroll Machine records all necessary figures* at a single operation. All records are originals. All exactly the same. All entries clear, legible, and easily understood. All proved correct at time of writing.

Mechanization of payroll is just one of the many advantages that National Accounting Machines bring to business. They also make possible the mechanization of accounts receivable, accounts payable, stock records, salesmen's commissions, sales distribution, etc. All accurate, all balanced, all up-to-the-minute at any instant!

* Such as: the hours worked, the gross earnings, the Federal Withholding Tax, the Federal Old Age Benefit and other deductions, the total earnings to date, the income tax withheld to date, the old age benefit withheld to date, and the net pay.

One National Payroll Machine prepares the payroll for some 2,300 Black & Decker employees in the home plant at Towson, Maryland, and in 26 sales and service branches.



National
CASH REGISTERS • ADDING MACHINES
ACCOUNTING MACHINES

THE NATIONAL CASH REGISTER COMPANY
Dayton 9, Ohio. Offices in principal cities

Testing Black & Decker Sanders
before final assembly.



ANOTHER EXAMPLE OF
PRODUCT IMPROVEMENT
THROUGH LORD VIBRATION
CONTROL SYSTEMS . .

Above is shown the Mack
Model C 41 Bus and below
close-up of Lord Engine
Mountings.



...with **LORD SHEAR-TYPE BONDED RUBBER MOUNTINGS**



YOU MAKE BUSES OR

Air Conditioning Equip-

ment

Residential Stokers

Blowers

Household Appliances

Recess Chargers

Business Machines

Projectors

Air Compressors

Pumping Equipment

Vending Machines

Milking Machines

Motor Scooters

Trucks, Tractors

Internal Combustion

Engines

Industrial Trucks

Generator Sets

Aircraft

Aircraft Radio, Trans-

mitters

Etc.

SPECIFY

THE LORD VIBRATION
CONTROL SYSTEM IN
YOUR PRODUCT AND
INCREASE YOUR PRO-
DUCT SALES

Here's what Mack says about this
improved power plant suspension

"Elimination of vibration and road shocks, and greater power plant accessibility are among the advantages gained through Mack's new method of suspending the powerplant at three points in tubular rubber-in-shear. As developed for the Mack bus, this powerplant suspension comprises three rubber-in-shear mountings of tubular form which support the engine, clutch and transmission."

Like Mack, you can improve your bus or truck performance by specifying Lord Shear-Type Bonded Rubber Engine Mountings. They contribute maximum softness and vibration isolation of torsional firing impulses. Result . . . smoothness and quietness throughout the entire engine speed range.

Whether you make buses or any other product, you can increase your sales by eliminating costly, nerve-racking vibration and noise. It will pay you to consult Lord . . . make us your headquarters for product improvement by Vibration Control.

MAKE GOOD PRODUCTS BETTER

with *Vibration Control*

LORD MANUFACTURING COMPANY • ERIE, PA.

Field Offices: Detroit • Chicago • New York • Washington, D.C.

Providence, R.I. • Burbank, Cal. • Philadelphia, Pa.

Canadian Representatives: Reilly & Pomeroy Engineering Co., Ltd.

LORD



BLACKFACE, NO JOKE

A facial of carbon black from a spray gun probably constitutes the dirtiest research job on record. At American Optical Co., Southbridge, Mass., one worker "took it" to test the concern's new dust filter. Designed to protect workers from poisonous and irritating dusts, the filter consists of a chemically treated pad. The company claims it is 40 times more efficient than untreated filter pads and says it has the approval of the U.S. Bureau of Mines.

from more than one supplier, and show high-cost vendors how to cut expenses. Naturally, such comparisons also enable the company to place business in the most advantageous supply area.

A Follow-Up Dept. takes away from buyers the worries of seeing that goods are scheduled, released, and shipped.

• **Influence**—In a quiet way the Purchasing Dept. exercises a considerable influence on Ford cars. Today, for instance, it is responsible for shifting steel running boards to aluminum, both to save steel and cut weight. It has initiated a parallel move on headlamp shells.

Similarly, Purchase Analysis sponsored a change in the size of steel used on a wheel, saving 15¢ per car.

Looking to the future, the Purchasing Dept. began this month a program of buyer development.

• **Ford Decentralizes**—Meanwhile, Ford is decentralizing its local operations in the Detroit area. On the heels of recent transfer of considerable work to the once-abandoned Highland Park plant (BW-Mar.1'47.p33), Ford took another big step this week. It leased one of the largest of the government plants in the Motor City's suburbs, the million-foot Naval Ordnance plant.

This \$30-million plant, comprising 14 buildings spread over 42 acres, will be used by Ford to make service parts and small production parts. Axle production may be the largest single item of output.

*This girl can beat 50
monks to a standstill*



Nowhere in the world are elevators as luxurious—efficient—and safe—as in America. Nowhere are such ingenious improvements made so consistently . . . so rapidly.

The ancestor of elevators—a crude basket attached to the end of frayed rope—*still* is in daily use—the only access to some monasteries in Greece. Powered by monks, fifty of whom could not do what a little slip of a girl does with one hand, these “ele-

vators” try the nerves of brave men.

American ingenuity, born of individual enterprise, and nurtured by free competition, not only gave us the world's best elevators, it gave us a great industry employing thousands of men and using the products of a score of other industries.

The wire rope industry is not among the least of these.

Roebbling engineers have kept pace with the designers of “lifts” ever since

the first American elevator was installed with a Roebbling elevator rope—back in the early 1860's.

Today, Roebbling Special Traction Steel Elevator Rope enjoys the well-earned confidence of hoisting engineers the world over.

JOHN A. ROEBBLING'S SONS COMPANY
TRENTON 2, NEW JERSEY

Branches and Warehouses in Principal Cities

ROEBBLING



*Don't envy Connecticut industry!
Become part of it!*



You don't have to stand idly by and watch our Connecticut industries waltz away with that glamour girl, Miss Success, time after time.

Plan to locate your factory in Connecticut. Then you, too, will be able to influence people . . . and profits. Then, you can win markets and keep out in front of competition, with these Connecticut advantages:

High productivity of Connecticut's skilled workmen. Connecticut's exceptional record of management-labor teamwork. Modern transportation set-up. Nearness to vast markets. Connecticut's wonderful background for enjoying life. Phenomenal records in health and safety.

Our Industrial Research Division will show you the special advantages Connecticut can offer *your* type of industry. This service is *free!* Write to Connecticut Development Commission, Dept. WB1, State Office Building, Hartford 15, Connecticut.



Put your business in a
"State of Success"
CONNECTICUT

READERS REPORT

The Research Problem

Sirs:

With reference to your editorial "The New Role of Science in the U. S. A." [The Trend, BW—Aug. 3, '47, p92], we have read a great deal on this subject in the last year, but we believe the crux of the situation is covered in the fourth paragraph [dealing with the growing difficulties of basic research].

There are many projects awaiting engineers. The lack of engineers is holding back ideas developed during the war. The output of engineers by our technical schools up to 1942 was 14,000 per annum, at which time it dropped to 2,000. At V-J Day we had lost between 35,000 to 45,000 engineers who normally would be coming into industry.

It is not likely that we will be able to pick up this loss until 1950 or 1952 even with the forced education which most men are taking in our technical schools and universities.

There is no doubt that many men now taking technical education have considered it desirable but are wholly unprepared for it. As a result, the loss of the men who do obtain technical education will be in a larger percentage than the normal loss in peacetime.

What industry and the government—and we hesitate to consider the government in this project—can do to secure more adequate training so as to avoid the training after these men come to them is a grave question which sooner or later must be given its merited attention. But by and large, the output of technical schools will determine our future progress.

C. B. Cool

V.-P., Elwell-Parker Electric Co.,
Cleveland 14, Ohio.

Billion-Dollar Club

I certainly thought that the splash we made, when we jumped into the select pool of companies with more than a billion dollars of assets, was big enough to have sent at least a ripple as far east as Manhattan, especially since our annual report called particular attention to the fact. However . . . your usually accurate magazine has omitted us entirely from the list [BW—Aug. 16/47, p71].

It may be hard for New Yorkers to realize that there can be billion-dollar industrial corporation headquarters west of the Appalachians, but we made it with \$65-million to spare. . . . I am rather reminded of the story about the man who, on retirement as the distinguished president of a Middle Western



WHEN PEACHES ARE GROWN WITHOUT PITS

We can't imagine peaches without pits, but if modern Luther Burbanks ever do accomplish such a thing, it will mean one less use for Wagner Motors. Today large canning plants have peach pitters operated by Wagner Motors giving faultless service.

With the number of uses for motors in modern industry, electric power is being harnessed to thousands of new jobs as fast as Wagner Motors can be produced.

Wagner builds motors in types and sizes for a wide range of applications. Maximum service at minimum cost has made Wagner Electric Motors famous for over 50 years. Whatever your job, a Wagner Motor will handle it efficiently and dependably.

Should you need electric motors, or other products made by Wagner, consult the nearest of our 29 branch offices, or write to Wagner Electric Corporation, 6460 Plymouth Ave., St. Louis 14, Missouri, U. S. A.



ELECTRIC MOTORS • TRANSFORMERS
INDUSTRIAL DRIVES
AUTOMOTIVE PRODUCTS

BUSINESS IN MOTION

To our Colleagues in American Business...

There is a handsome electric percolator coming on the market in increasing numbers. It wins sales by its beauty and by the name of its maker. What the people who buy it do not know about it is that Revere collaborated closely with the manufacturer in working out ways and means of speeding production and lowering costs.

The base metal is Red-Brass, 80%, supplied in sheet form. Forming the tall and graceful design requires a number of draws to increasing depth. Yet only one anneal is required, after the first two draws and before a reverse draw. In the latter the annealed shell is turned completely inside out, giving additional depth and at the same time producing the pressure - pad flange required for subsequent operations.

In deep-drawing work, grain size is the controlling or limiting factor. Before Revere and the manufacturer collaborated on this product and established precise grain size control for the metal, it was occasionally necessary to resort to an additional spinning operation in order to smooth the sidewall of the shell produced by the last draw. Our recommendations, not only with respect to the raw material as received by the customer, but in various processing steps, assisted toward a substantial reduction in the costs of pro-

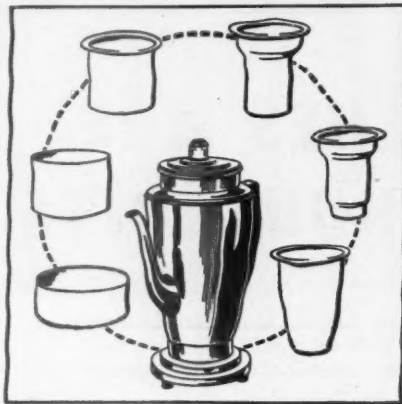
duction, and likewise in the costs of polishing and buffing before chromium plating.

Naturally, both we and our customer are delighted with the success of our mutual efforts, but to our minds the most important thing about this case history is the fact that the customer went far beyond merely ordering Red-Brass in such-and-such a size, gauge and temper. He took us completely into his confidence as to fabrication methods and requirements. Only in that way was our knowledge of our metals successfully added to the

customer's outstanding manufacturing ability.

Perhaps your products do not use our metals, or any metal at all. It does not matter. What we want to point out is that you can obtain from your suppliers much more than materials. When you

buy these you pay not only for the feet or tons or gallons you get, but also for the knowledge and experience required to produce those materials. You pay for both products and brains — why not use both? No matter what you buy, nor from whom, we firmly believe that you can benefit by giving your suppliers full information concerning your production problems and thus adding their brains to your own.



REVERE COPPER AND BRASS INCORPORATED

Founded by Paul Revere in 1801

☆☆☆

Executive Offices:

230 Park Avenue, New York 17, N. Y.

university, was said to have done so an outstanding job that the fame of the institution had spread from the shores of the Pacific to within 20 miles of Boston!

Robert E. Wil-

Chairman of the Board,
Standard Oil Co. (Indiana)
Chicago 80, Ill.

Business Week hereby extends a warm welcome to the corporate Billion-Dollar Club. Its addition brings the membership to a record 46, based on 1947 year-end balance sheets. Despite the oversight, the vision of Business Week editors is not hemmed in by the canyons of Wall Street. The executive editor is a genuine Hoosier. The managing editor is a Wisconsin native, educated in Chicago. His assistant is West Virginia born, Ohio educated. The editor is Hudson Valley native and a graduate of New York's Columbia University—he is currently midway in a three-month tour of Europe, surveying economic conditions.

Advice to Insurers

Sirs:

We see considerable humor in the predicament of the companies referred to in your article, "Insurers turn down business" [BW—Jul. 26 '47, p64], but we have very little sympathy for them.

You failed to mention that their troubles may have arisen from overambitious advertising immediately following V-J Day. The insurance trade journal stressed two things, as words of wisdom from the underwriters to agents and brokers. First, increase your income by selling more insurance to present customers; and second, beware of the clause in the fire insurance contract known as the co-insurance clause. The salesmen was to bring the policyholder's policy into line with present replacement values so that he would not be penalized by a clause which the insurance industry itself has created. The agents and brokers having believed such advice proceeded to do as told. Now they are in the middle. They told their policyholders to increase coverage, and then upon going to their companies who told them to preach such a gospel find that the companies want no part of the insurance.

In connection with automobile insurance, their public sales and legislative efforts (on behalf of financial responsibility laws) have been so effective in making the public automobile-insurance-conscious that now all responsible citizens want protection. The insurance industry has been unable to deliver the goods satisfactorily in many cases.

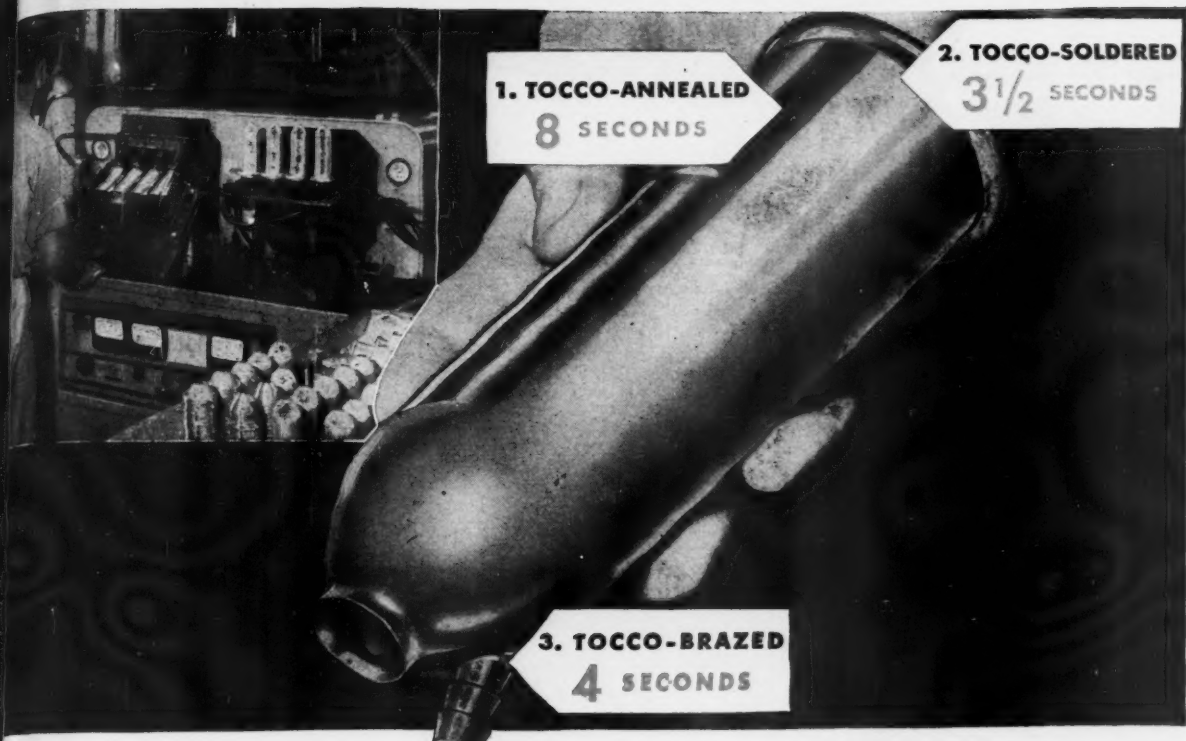
Now they are pushing the so-called "comprehensive personal liability pol-

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1. TOCCO-ANNEALED
8 SECONDS

2. TOCCO-SOLDERED
3 1/2 SECONDS

3. TOCCO-BRAZED
4 SECONDS

The **SPEED** way to lower costs ... **TOCCO** Induction Heating

In the production of 18-8 stainless steel teat cups, Solar Aircraft Co., Des Moines, Iowa, reports these benefits from TOCCO Induction Heating:

SPEEDY HEATING. This localized process performs these operations speedily . . . for *lower costs*: (1) Heats upper end to 1950° F. in 8 seconds . . . anneals it for shaping end flange. (2) Heats upper end to 400° F. . . 4 at a time in 14 seconds . . . to solder-fill curled flange. (3) Heats nipple connection to 1100° F. . . 4 at a time in 16 seconds . . . to silver solder nipple to cup.

SPEEDY HANDLING. Cool, clean, compact, TOCCO machine is located in production line handy to related operations. Minimizes haulage . . . for *lower costs*.

SPEEDY PRODUCTION. In addition, TOCCO eliminates scale formation and distortion, minimizing cleaning and avoiding straightening . . . for *lower costs*.

Investigate TOCCO for the improvement of your production . . . for *lower costs*.

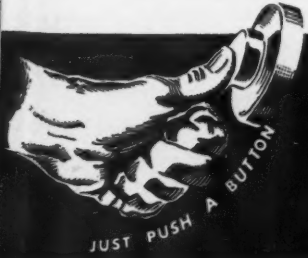
THE OHIO CRANKSHAFT COMPANY

FREE
BULLETIN

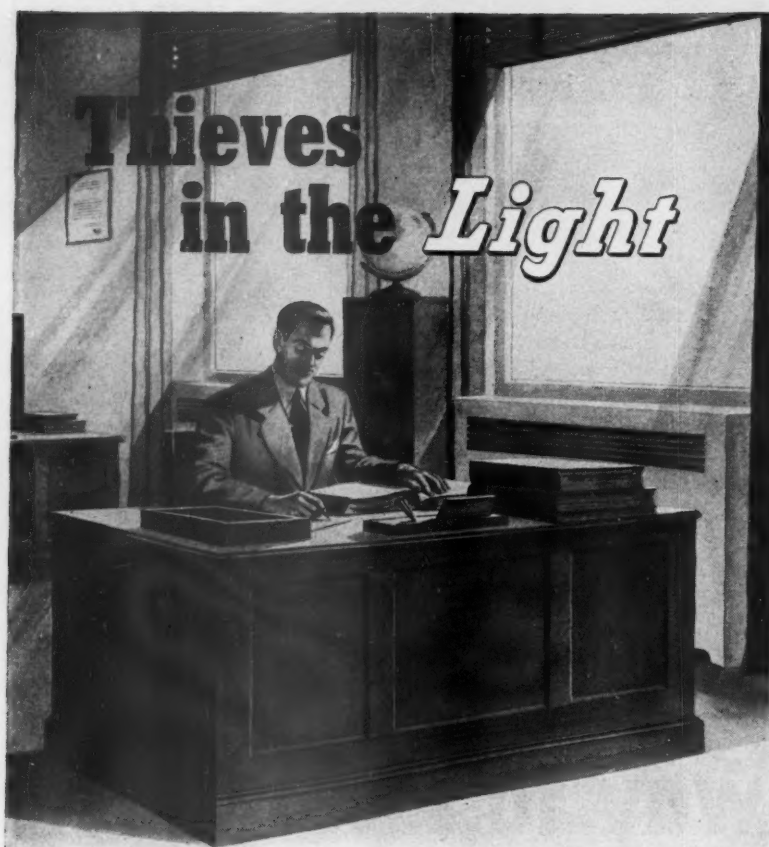
Mail Coupon Today

THE OHIO CRANKSHAFT CO.
Dept. W-9, Cleveland 1, Ohio
Send free copy of
"INDUCTION HEATING".

Name.....
Company.....
Address.....
City.....Zone... State...



TOCCO



TIME was when most thieving was done in the darkness of the night, when detection was least likely. But today employers find that the largest losses—those due to employee dishonesty and forgery—occur in broad daylight. Modern embezzlers and forgers operate at any time. They are thieves in the *light*.

Today's embezzlements often reveal a greater need than ever before for employers to have proper Dishonesty and Forgery protection—the kind offered by our Companies through agents and brokers all over the country.

For employers with few or none of their employees now bonded, our DISCOVERY BOND provides a unique and valuable protection. It covers shortages caused by employees bonded under it—right back to the dates when they were originally employed.

Why risk a large loss? Consult our agent or your own insurance broker today.



**AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY**
Affiliate: **SURETY FIRE INSURANCE COMPANY**

"Dependable as America"

100 Broadway, New York 5, N. Y.

icy." We wonder how soon they start restricting this policy for those sons owning swimming pools, or rooms with built-in bars. . . .

As the situation now exists, the business can always obtain fire insurance on home and contents (the underwriter can always make a profit on this) but is an unsatisfactory risk for automobile insurance because his car is too old, perhaps he is too old.

Aside from the question of judgment, we wonder if the insurance executives have momentarily forgotten their social obligation to provide protection when needed? Have they forgotten so soon the success of the government in its most recent venture into the insurance business (War Damage Corp)? Are they inviting by their actions public pressure for government insurance to compete with private enterprise?

The insurance business is creating a will in many quarters, ill-will that may not be corrected for many years.

Our comments are restricted to the scope of the general insurance business to which your article referred. The fire and casualty insurance underwriters could learn a good deal from the life insurance industry. They not only seek to sell what they advertise, but also deliver what they sell.

Harold W. Horton
Horton Insurance Analysis Service,
Los Angeles 15, Calif.

Long Beach, Not L. A.

Sirs:

Business Week has a well deserved reputation for presenting the news in an interesting and accurate manner. For that reason, we feel that your attention should be drawn to an inaccuracy that appeared in your story of the new truck service to be operated on the Hudson River by converted Navy LST's [BW—Aug. 9 '47, p. 32].

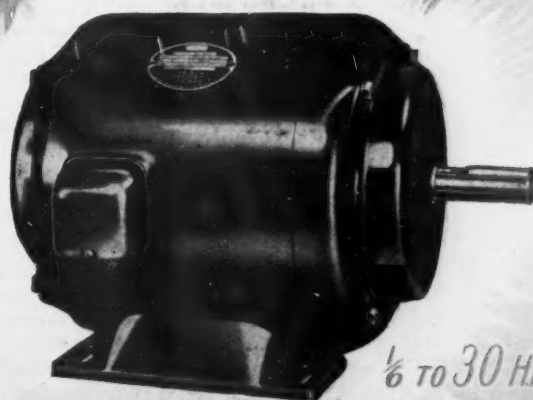
You state that H. F. Alexander, who is a principal in the Hudson River operation, is planning to establish a similar service between San Francisco and Los Angeles. Actually, the proposed service is to be operated by Alexander and his associates between San Francisco and Long Beach. Long Beach is not a part of Los Angeles. Los Angeles has no facilities for handling the proposed steamers. Mr. Alexander has already made preliminary arrangements with the Long Beach Harbor Commission to provide dockage and storage facilities for his steamers.

Leopold L. Wilder
Sec., Chamber of Commerce,
Long Beach, Calif.

Apologies to Long Beach for reporting on the wrong side of the boundary line that separates it from Los Angeles.



Superlative Horse Power



$\frac{1}{6}$ TO 30 HP

Inquiry is invited from manufacturers
of motor-driven equipment or quantity
users of Motors and Gearmotors . . .
Added plant facilities enable us to of-
fer advantages in service and delivery
to those interested in quality products.
Wire or write for Bulletin No. 5000.


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Complete. Portable. All-Purpose

RECORDS and PLAYS BACK

Webster-Chicago Wire Recorder makes clear life-like recordings of voice or music up to an hour in length. Recordings may be kept permanently and replayed thousands of times—or can be "erased" for re-use of the same wire.

AS EASY TO OPERATE AS YOUR RADIO

No larger than an overnight bag, easy to carry, simple to operate—the Webster-Chicago Wire Recorder, complete with microphone and 3 spools of wire, two 15-minute and one half-hour costs only \$149.50*

*West of Rockies, \$153.00

for business



Records conferences, long memoranda, dictation, field reports

-at home



Makes permanent records of children's voices — party fun — radio programs — symphonies

WRITE FOR COMPLETE INFORMATION

WEBSTER • CHICAGO
3610 BLOOMINGDALE AVE., CHICAGO 39

The Choice of Music Lovers

MARKETING



NEW AND MODERN: One link in the growing National Tea Co. store chain

New Leaf for National Tea

H. V. McNamara's aggressive merchandising program pushed firm well back in black since reorganization in 1945. Now has bought Standard Grocery of Indiana, plans further expansion

Two and a half years ago, the National Tea Co. had been in the financial doldrums for ten years. The big mid-western chain held sixth place among retail food companies in sales volume. But its earnings in the five years preceding 1943 had barely equaled the profits it made in the single depression year of 1933.

• **Out and In**—Into this picture stepped John F. Cuneo, president of the giant Cuneo Press, Inc. (plants in Chicago, Philadelphia, Milwaukee, San Francisco). With a group claiming 26% of the voting power, Cuneo forced a reorganization of the company's management (BW—Mar. 10 '45, p. 64).

That the reorganization paid off was only recently underlined: National Tea has bought the Standard Grocery Co. of Indiana, operators of a 48-store food chain centered on Indianapolis. The move was a tribute to the success of the merchandising program that has pulled the company out of its slump, put it back among the profitmakers. And in the process National Tea has climbed to fifth place in sales among retail food chains.

• **Revamper**—Chief architect of the transformation is H. V. McNamara, former Chicago district manager for Kroger Co. McNamara was put in as executive vice-president of National Tea

by the Cuneo group in March, 1945. Last March, he became president of company. At the same time, Robert Rasmussen, son of the founder of 48-year-old company, moved up chairman.

McNamara's new-broom management has brought record sales and profits to National Tea. Sales in 1946 reached \$157,641,000—some \$50-million above 1945 volume. Earnings in 1946 tripled 1945 results. A net of \$2,934,731 in 1946 was the equivalent of \$4.52 per common share, compared with \$913,048, or \$1.33 per share in the preceding year. Sales in the first six months of 1947 were 45% greater than in the same period of 1946; profits came to \$1,461,000 compared with \$960,669 in the 1946 period.

• **Aggressive Policies**—Higher prices and enormous consumer demand contributed to the new sales records. But efficient management and aggressive merchandising policies account for a large part of the better profit showing.

Principal National Tea strongholds to now have been Chicago and Northern Illinois, Wisconsin, and Minnesota. Before the Standard Grocery Co. deal, National Tea had only 69 stores outside these three states. They were scattered through Iowa, North and South Dakota, Michigan, and Indiana. Count

the 48 new Indiana stores, National Tea will now operate 721 retail stores. The company eventually hopes to open another 150 stores within a 100-mile radius of its new Indianapolis warehouses.

Supermarket Trend—Under McNamara's policies, National Tea, like other chains, closes up its low-volume, unprofitable conventional type grocery stores. Instead it concentrates on opening new self-service supermarkets with meat departments and complete food departments. Since 1944, the company has closed smaller stores at the rate of two for every new supermarket store opened.

As a result of the policy, the company in 1944 has dropped 155 stores. But supermarkets with meat departments have been increased from 452 at the end of 1944 to 491, on Dec. 31, 1946. In the same period, conventional grocery stores dropped from 297 to 202. Another 21 stores were eliminated in 1947, before the Indiana purchase was made.

Other Changes—Besides eliminating smaller stores, National Tea has been getting out of the real estate business. In 1945-46, the company sold 69 of its 100 store properties. And it leased them back with options rather than long-term leases to assure continued future occupancy if desired. It plans to sell off more of the 90 remaining company-owned store properties as advantageous deals can be made.

National Tea is carrying out an extensive modernization program. Last year the firm remodeled 233 stores, painted, repaired and enlarged most of the others. New store fixtures and delivery equipment costing \$1,157,821 were added during the year. All new stores have frozen food departments. Older stores will handle frozen foods as soon as equipment is available.

Warehouses and Plants—A new \$895,000 warehouse at Minneapolis was completed this year. Future expansion plans call for new warehouses at Milwaukee and Chicago, and enlarging manufacturing facilities in Chicago. National Tea now operates bakeries at its three principal branches. In Chicago the company makes preserves, jellies, peanut butter, salad dressings and beverages, and packages coffee, tea, spices, and olives.

To keep its expanded meat markets supplied, National Tea will continue to operate the two packing plants acquired during wartime meat shortages. The firm will not decide whether it will keep them permanently until outside suppliers can furnish enough meat to supply National Tea markets.

Experiment—McNamara has also made use of other tried-and-true merchandising policies to boost sales and profits. He pushes national brands as

Now.. A LABEL THAT MEANS BUSINESS!



Here is *tangible* evidence of lasting quality that's a big, new selling tool for manufacturers of lamps, clocks, radios, fans, and other light-duty appliances.

It's a distinctive new label—to be put on by you, the manufacturer—that tells dealers and consumers alike that your products are equipped with strong, dependable, attractive Flamenol* cord sets. Smart merchandisers everywhere find that these cords with the practically unbreakable molded-on plastic plug add a strong selling point to their products. And when it's your product that bears the label—with the best-known name in the electrical field on one side and five big selling features on the other—it's pretty sure to mean more business for you.

TAKE THESE 3 EASY STEPS TO BOOST YOUR SALES

1 Make sure that there's a General Electric Flamenol Cord Set on every lamp, radio, or light-duty appliance you sell.

2 Make sure that they are labeled with the distinctive G-E Flamenol tag.

3 Make sure that your customers know about the extra value they receive—by pointing out the features listed on the label.

FEATURES

- It's safe — a one-piece molding
- Plug is practically unbreakable
- Cord stays new looking — always
- Does not fray or kink unnecessarily

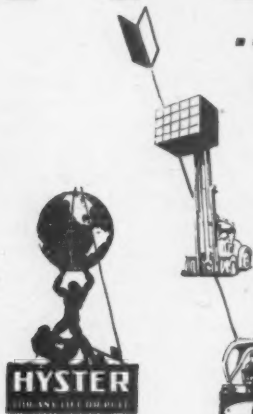
To be sure that you get the full benefit of the Flamenol label's selling power, write for more information to Section Q74-910, General Electric Company, Bridgeport 2, Connecticut.

*Trade-mark Reg. U. S. Pat. Off.

GENERAL ELECTRIC

HYSTER

**...thousands in use...and
a machine for every use**



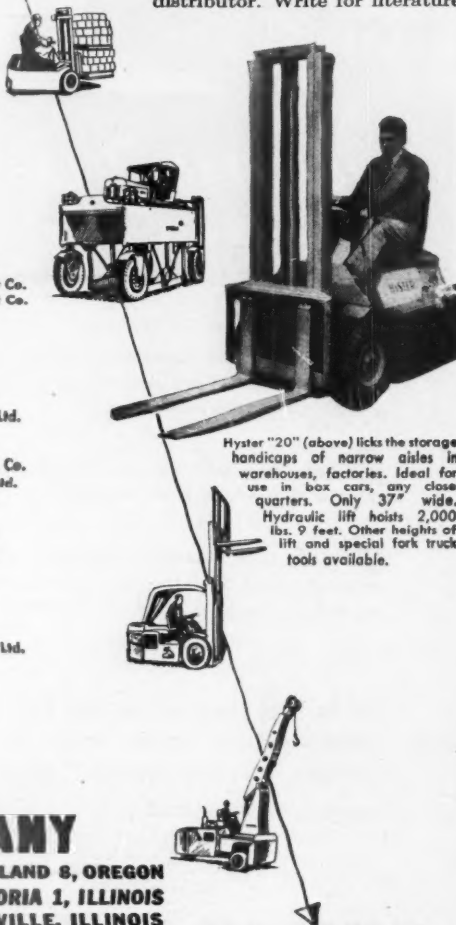
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Rapid Handling Equipment Co.
CALGARY, ALTA.
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CHICAGO, ILL.—Hyster Company
CINCINNATI, O.—Oral T. Carter & Associates
CLEVELAND, O.—Morrison Company
DALLAS, TEX.—C. H. Collier Company
DENVER, COLO.—Paul Fitzgerald
DETROIT, MICH.—Bentley & Hyde
HALIFAX, NOVA SCOTIA
A. R. Williams Machy. Co., Ltd.
HONOLULU, T. H.—Electric Steel Foundry Co.
INDIANAPOLIS, IND.—Central Rubber & Supply Co.
JACKSONVILLE, FLA.—L. S. Teague Equipment Co.
KANSAS CITY, MO.
Industrial Power Equipment Co.
LOS ANGELES, CALIF.—Hyster Company
LOUISVILLE, KY.—Embry Brothers, Inc.
MILWAUKEE, WIS.—Hyster Company
MINNEAPOLIS, MINN.—W. S. Nott Company
MONTREAL, P. Q.—A. R. Williams Machy. Co., Ltd.
NEW ORLEANS, LA.
Hyster Company of Louisiana, Inc.
NEW ROCHELLE, N. Y.—Eastern Industrial Sales Co.
OTTAWA, ONT.—A. R. Williams Machy. Co., Ltd.
PHOENIX, ARIZ.—Equipment Sales Company
PITTSBURGH, PA.—Equipco Sales Company
PORTLAND, ORE.—Hyster Sales Company
ST. JOHNS, N. F.—City Service Company, Ltd.
ST. LOUIS, MO.—Wharton L. Peters
SALT LAKE CITY, UTAH
Arnold Machinery Company
SAN FRANCISCO, CALIF.—Hyster Company
SEATTLE, WASH.—Hyster Company
TORONTO, ONT.—A. R. Williams Machy. Co., Ltd.
VANCOUVER, B. C.
A. R. Williams Machy. Western, Ltd.
VICTORIA, B. C.
A. R. Williams Machy. Western, Ltd.
WINNIPEG, MAN.
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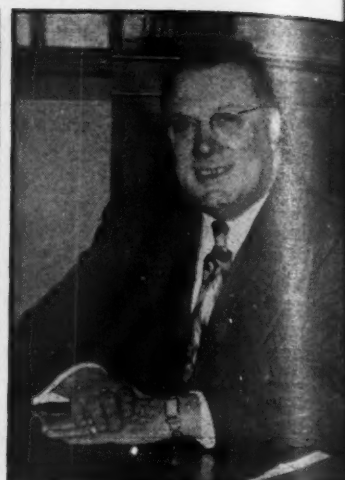
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Materials handling costs too high? Crowded for room? Space at a premium? You can use a Hyster fork type lift truck or Karry Krane with profit to hoist, move, tier heavy, bulky goods of all kinds. Your choice of 7 models with capacities ranging from the small 2,000 lb. fork truck to the 30,000 lb. straddle truck. All on pneumatic tires. All gasoline-powered. All manufactured to the highest engineering and performance standards. All sold and serviced by Hyster distributors — specialists in materials handling equipment. Do as every type of industry has done all over the world. *Save time, labor, money with a Hyster.* See your distributor. Write for literature.



Hyster "20" (above) lifts the storage handicaps of narrow aisles in warehouses, factories. Ideal for use in box cars, any close quarters. Only 37" wide. Hydraulic lift hoists 2,000 lbs. 9 feet. Other heights of lift and special fork truck tools available.



PROFIT MAKER: H. V. McNamara steered his National Tea from red to blue.

well as the company's private ones. has an expanded and aggressive advertising campaign. He has even gone on a small tangent of diversification stocking a few National Tea supermarkets with small drug and cosmetic items. But McNamara has no intention of letting his supermarkets become cluttered, outsize general stores. He does not plan to sell small electric appliances—liquor—or even dishes.

Integrated Firms Worry Rayon Converters

In the rayon industry last week accusations and denials flew back and forth faster than a weaver's shuttle. An article in the trade's oracle, *Womens Wear Daily*, said that rayon converters were going to launch a full-scale campaign against rayon producers who start with chemicals and turn out cloth ready to cut.

Textile Distributors Institute, Inc., a trade association composed largely of rayon converters, said that the story was unauthorized, unofficial, and misleading. The converters, they said, had merely decided that T.D.I. should remove some advertisements in trade and consumer publications explaining the converter's function in the rayon field.

• **Worry**—The incident served to disclose a number of furrowed brows among the converters. For many years they had bought "gray" cloth from the mills, jobbed it out to be finished according to their own specifications, and sold the finished cloth to the cutters.

During the war, however, many new vertically integrated companies appeared. These were combinations of weaver, finishers, and occasionally even cutter. Since the war, the trend toward integration has become stronger; some "ve-

Vital trade routes in a changing world...



Bay of Naples

NAPLES knows American Export — yes, so does Cairo . . . Calcutta, Ceylon, Odessa and Marseilles—to mention only a few of the places served by our cargo liners.

These fast, modern vessels load and unload at hundreds of ports, quickening the trade pulse of twenty countries and four continents, along the oldest trade routes in the world.

Busy today helping to re-weave the tattered fabric of world economy, American Export looks ahead to an ever busier future.

New steamers—as matchless in design and comfort as modern shipbuilding can make them—will augment its fleet—and further expand its facilities for handling the commerce to come.

Fortnightly sailings to the Mediterranean with the new "Four Aces", 125-passenger, one-class liners, expected to be ready early in 1948.

AMERICAN EXPORT LINES

25 Broadway, New York 4, N.Y.



MEMORANDUM

TO MANAGEMENT



During recent months, five of Business Week's special reports on the "New American Market," have appeared in the magazine.

Analyzing changes in regional economies, each report has provided management with sorely needed marketing and sales data. It is interesting to note the variety of ways in which this "New American Market" information is being put to work by management-men.



The president of a manufacturing company wrote to tell us that the report on "The Far West" was helpful in determining the merits of his company's expansion to the West Coast.

The president of a life insurance company wanted reprints of all the reports because, "... the information they contain can be put to good use by the officers of my company."

An officer of a civic association writes, "We believe this statistical information will be of tremendous value to us in our efforts to improve the government of our city."

The professor of marketing in an important university has asked for reprints for his students. It is his plan to include an intensive study of "New American Market" statistics in his curriculum for the fall sessions.

The Chamber of Commerce in a small, but thriving southwestern township asks, "May we include part of this information in a pamphlet for distribution to national manufacturers?"

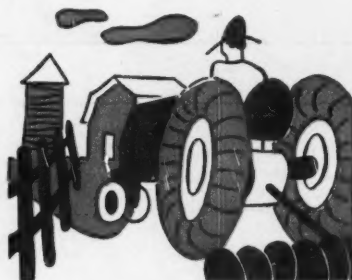


If present indications may be considered a yardstick, the demand for Business Week's brochure which will include all eight reports (and their supplemental data) on the "New American Market," will be substantial. The final brochure, which will be available in January, 1948, was offered to Business Week's subscribers in a footnote to the first report, ("Far West" April 12, 1947). Many requests for it have already been received.

It will help us materially in determining the size of our reprint orders if management-men who wish copies of the final brochure of eight reports for their associates and staffs will place their orders now. The prices are as follows:

1 -	\$1.50 each
2-10 -	1.30 "
11-50 -	1.20 "
51-100 -	1.10 "
over 100 -	1.00 "

The individual reports on different sections of the country, revealing information which is not available elsewhere, are getting increasing usage. They are providing the factual background for decisions involving business expansion and adjustment to postwar conditions.



The sixth report in the series, "Farm West" is to appear in the September 27th issue. It will be followed in the October 25th issue by the "Southeast." The eighth and final report, scheduled for late November, will be a summation of the previous seven and will appraise the regional changes in our economy from a national viewpoint.

Paul Montgomery.

PUBLISHER

No. 16

ticals" have their own retail outlets. And the independent converters are worried about their survival.

• **Argument**—Defenders of the verticals point out that integration eliminates many of markups that pyramid the cost of the final product every time the goods change hands. And under the independent method of operation they change hands frequently.

The independents argue that the verticals are unwieldy, impersonal, and tend to discourage originality and high fashion. They are excellent for making uniforms, they say, but the American public does not want to wear standardized clothes.

Although T.D.I. denies it, many trade observers think the advertising campaign is a direct result of a recent move by Burlington Mills to increase its output of finished fabrics. But Burlington's action was only one manifestation of a trend already demonstrated by other verticals such as Textron, Inc., and J. P. Stevens & Co.



GOOD NEWS: Margarine is down

MARGARINE BIDS AGAIN

With butter hovering close to \$1 a lb. retail, margarine producers are jumping in fast to steal the cream of the market. They are cutting prices, not raising them. Signs in Grand Union supermarket chains in New York (above) urge customers to beat high prices by buying margarine—at a reduced price of 35¢ a lb.

Margarine people are in a good spot. Their raw material prices are soft, and supplies plentiful. This is the reverse of their situation during the war, when short supplies caused the quality of their product to fall off. But now the margarine companies are making the most of the butter consumer's ill winds; they are improving their grades to get a hold while the going is good.

"One of the most dramatic sagas of the last century was the opening of the territory in Oklahoma known as 'The Cherokee Strip'."



46 Years *Before* the Cherokee Strip* . . .

CHASE was manufacturing Better Bags

• At dawn, September 16, 1893, hundreds on horseback, in wagons, and afoot, raced to stake claims in Oklahoma. And many prospective landowners carried precious seed, feed, equipment and supplies in Chase bags.

This year Chase is celebrating 100 years in the bag business. The lessons learned throughout this long experience have been translated into better materials, finer construction, improved manufacturing processes—a more efficient container for *your* product.

Furthermore, Chase makes bags of all kinds: cotton, burlap, paper, combination paper and cotton, combination paper and burlap, and open mesh. Thus you are assured of impartial advice on the right bag for the specific need . . . whether it be feed, flour, seed, citrus fruit, produce, dry or wet chemical, fertilizer or building material—*whatever* your product may be.

Your Chase salesman will be glad to give complete details on any Chase product. Write today.



One Hundred Years of Experience
in Making Better Bags for
Industry and Agriculture.

FOR BETTER BAGS . . . BETTER BUY CHASE

CHASE BAG CO.

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OPEN MESH BAGS



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COTTON BAGS FOR ALL NEEDS

SPECIALTIES





...can help YOU
keep up with the

Westward Trend

*Contract Manufacturing

... backed by 30 years experience in the manufacture of custom-built machinery and continuous-flow equipment.

Because of the tremendous volume of goods manufactured and consumed in the West, an ever-increasing number of industrial manufacturers are establishing West Coast factories. *YOU* can have the equivalent of a western branch factory by making use of the complete contract manufacturing facilities of the Pacific Coast Engineering Company. Contract manufacture of your heavy components, right in the heart of this strategic area, is economical and saves you shipping costs. Phone Lakehurst 2-6100 (Alameda) for further information, or send prints for competitive quotations.

"TAILORS OF STEEL"

PACIFIC COAST ENGINEERING
Company

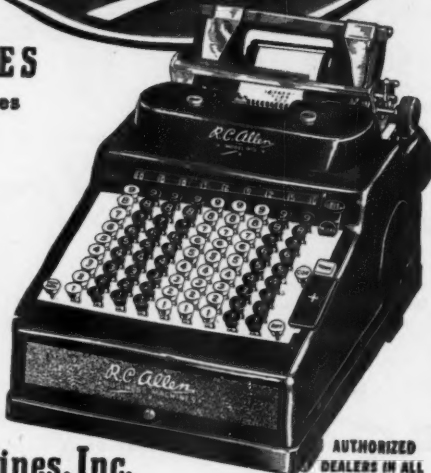
ENGINEERS • MACHINISTS • FABRICATORS
ALAMEDA, CALIFORNIA, U.S.A. CABLE ADDRESS "PACECO"

MORE FOR YOUR MONEY

IN PROTECTION,
ACCURACY
AND SERVICE

... because R. C. Allen
ADDING MACHINES
give you all these advantages

- Visible dials — Visible printing
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GRAND RAPIDS 4, MICHIGAN

Makers of World Renowned Business Machines

ADDING MACHINES • CALCULATORS • BOOKKEEPING MACHINES • CASH REGISTERS

Invading the Cities

International Harvester is putting out new line of freezers and refrigerators for homes. To name dealer-distributors.

An old-line farm machinery manufacturer last week broadened its target to take in the urban market. International Harvester Co. announced that it would:

(1) Market a new line of home freezers and household refrigerators;

(2) Appoint special distributor-dealers in about a dozen big U. S. cities.

• **Priority Trouble**—In recent years International Harvester has only dabbled in the refrigeration industry. Its walk-in freezers and coolers, developed about 1937, died of wartime priority trouble complicated with lack of a volume market. Thus the company was left with nothing in this division but a long-established line of milk coolers on which output even now runs only 50 a day.

Harvester purchased the war-surplus Republic Aircraft plant in Evansville, Ind., about two years ago. The purpose announced was expansion of refrigeration volume. Until recently, however, established manufacturers heard little about Harvester's intentions; a small volume of oversize freezer units trickled out through farm machinery dealers into the rural market. Now the pattern of Harvester's program is beginning to show its outlines and some of its details.

• **Freezers**—The first new product of the plant is an 11-cu. ft. home freezer which has been in production for several months. It is now approaching the planned maximum output. This unit is too big for most city (and many suburban) homes. But it is fine on the farm for storing a slaughtered steer and the spring's kill of fryers.

The next item to emerge was a 4-cu. ft. home freezer—handy for apartment and small-house dwellers. It will store normal purchases of packaged frozen foods and freeze the autumn's surplus of wild ducks, pheasants, and venison. Production is under way, but a long way from the desired volume.

• **Refrigerators**—An 8-cu. ft. household refrigerator is scheduled for production in 1948, with full output to be achieved during the year. Most of the big manufacturers offer 7-cu. ft. and 9-cu. ft. boxes, get their biggest sales on the 7-cu. ft. model.

The influence of the farm market is shown in Harvester's concentration on the 8-cu. ft. box; this was decided upon after an extensive market survey.

• **Output Plans**—International Harvester's production schedules call for 1,000 units a day from the new plant next

if materials are available. The limiting factor is sheet steel, particularly channeling iron. The total output will be divided among the milk cooler, the two freezers, and the refrigerator.

Material supply, and eventually market demand, will dictate the allocation of production. Unless milk cooler demand rises, this points to 950 freezers and refrigerators a day—which could exert a considerable competitive force in the refrigerator market once the public's present hunger for such appliances begins to wane.

Marketing Plans—Company sales executives say they plan to sell most of its output through their regular farm machinery dealers. But Harvester also plans an urban invasion. Special distributorships will be created in about 12 large U. S. cities. Bruno, Inc., New York appliance outfit which boasts it has put Bendix washers into half of all metropolitan machine-equipped home laundries, is the only distributor signed up at present.

Beyond this the company claims that its marketing plans have not jelled. In medium-size cities such as Dallas, Kansas City, the current talk is of handling retail sales of refrigeration through company branches. But competition is betting that, if Bruno finds a ready reception for Harvester refrigeration, the lineup of eager dealers with specialized appliance experience might prove more than the company could resist.



BRUSH BATH, TOO

Jules Strauss has made a living by giving a Saturday night treatment to hard-worked paint brushes. Strauss uses his own formula, aims to clean all brushes—no matter how hard or dirty they may be. In his New York shop (above)—it measures 6 x 10 ft.—he receives business from all over the U. S., England, Ireland.



Was I surprised to learn WESTON PAPERS Cost No More

"I buy thousands of dollars worth of printing every year and, to me, the name *Weston* has always meant top quality in papers for business records and correspondence. Naturally, I assumed it also meant top price. Was I surprised to learn that grade for grade *Weston* papers cost no more than any other cotton fibre paper suited for important record keeping or correspondence."

And if you value the added satisfaction, efficiency and security of using *Weston* papers, then it actually costs less to keep all records worth keeping on *Weston* Papers. Ask your supplier to put the next lot on the equivalent *Weston* grade. You'll be surprised and pleased at the difference.

BYRON WESTON COMPANY
DALTON, MASSACHUSETTS

THE COMPLETE WESTON LINE

BONDS
WESTON'S BOND
Cotton No. 1, 100% Cotton Fibre
WESTON'S DEFERENCE BOND
100% Cotton Fibre
WESTON'S HOLMEDALE BOND
75% Cotton Fibre
WESTON'S WINCHESTER BOND
50% Cotton Fibre
WESTON'S BLACKSTONE BOND
25% Cotton Fibre

LEDGERS
BYRON WESTON CO.
LIGN BOND
Cotton No. 1, 100% White
Cotton and Linen Fibre
WESTON'S DEFERENCE LEDGER
100% Cotton Fibre
WESTON'S WAVERLY LEDGER
75% Cotton Fibre
WESTON'S CENTENNIAL LEDGER
50% Cotton Fibre
WESTON'S WINCHESTER LEDGER
25% Cotton Fibre
WESTON'S BLACKSTONE LEDGER
25% Cotton Fibre

INDEXES
WESTON'S DEFERENCE INDEX
100% Cotton Fibre
WESTON'S WINCHESTER INDEX
50% Cotton Fibre
WESTON'S MACHINE
POSTING INDEX
50% Cotton Fibre
MACHINE ACCOUNTING
WESTON'S MACHINE LEDGER
75% Cotton Fibre
WESTON'S MACHINE
POSTING LEDGER
50% Cotton Fibre

Weston *Makers of Papers
for Business Records*



Are You Paying THIS LEVY

in addition to other Higher Costs?

\$100,000,000

COST OF INDUSTRIAL
EYE ACCIDENTS 1946

20,000,000

APPROXIMATE NUMBER
WORKERS EMPLOYED BY
INDUSTRY 1946

\$5

AVERAGE
EYE ACCIDENT COST
PER WORKER

\$5

TIMES NUMBER OF
WORKERS IN YOUR PLANT
EQUALS YOUR EYE
ACCIDENT COSTS IF NOT
PROTECTED BY AN
ADEQUATE EYE PROTECTION
PROGRAM

Safety goggles that prevent 98% of all eye accidents cost about \$1.50 per pair. Whether you employ 10, 100, 1,000 or 10,000 shop workers, it is clearly in your interest to install a protection program that will reduce eye accident costs drastically. Your nearest AO Safety Representative has complete facts and figures.

American Optical



*Safety
Division*

SOUTHBRIDGE, MASSACHUSETTS • BRANCHES IN PRINCIPAL CITIES

Shoes Going Up

Good leather is now more expensive, so shoe prices will be higher next spring. Output rises despite labor shortage.

Shoes, like many another perishable commodity, are going up in price next spring. This was the report brought back to home offices last week by manufacturers' representatives who had attended the American Leather Show in New York. The thought left manufacturers fearful that further increases might cause a serious wave of consumer resistance.

• **Leather Scarce**—The main factor blamed for forcing shoe prices upward is the price of leather—for good leather is still scarce. Prices for quality leather at the New York show were estimated to be generally 5% to 10% higher than they were at the March show this year and some increases as high as 25% were reported. Most prices are roughly double those in effect just before October when abandoned hide ceilings last October were reported.

High-quality light skins, used chiefly for women's shoes, are the hardest to get. A cattle shortage is predicted for next year by many observers; if they are right, the situation will be tight for some time to come.

• **Labor Short, Too**—Shoe manufacturers have another worry: shortage of skilled labor. They are starting production for fall and winter lines with staffs as much as 35% below last year.

The chief labor scarcity appears to be stitching-room workers who are needed by almost every firm. Although the shoe industry has not reached the level of production that would normally absorb the stitchers, virtually no stitchers are registered for unemployment benefits. Some manufacturers lay the dearth to the fact that women, who represent 70% to 90% of the stitchers, are taking longer summer vacations.

• **Labor-Saving Machines**—The return of highly competitive marketing conditions has led, in many cases, to the installation of new machinery in shoe factories. This, plus the streamlining of many shoe-making operations, has reduced manpower needs somewhat.

At least one new technique is being used to ease the shortage of stitchers. This is a method by which shoes are cemented rather than sewed. But another process, now being used in some shops for the first time, offsets this gain; it cuts the number of workers required for operations such as lasting, yet requires more stitchers than ever.

• **Production Up**—The shoe industry, however, is not letting labor and material shortages deter production.

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material shortages hold it back. After three relatively dismal months in the spring and early summer, manufacturers have booked enough orders for fall and winter footwear to resume the normal 40-hour week.

The chief expansion has been in women's shoes. Changes in style to fit into the "new look," now being plugged heavily by the suit and dress trades (page 31), has caused a jump in demand. Children's shoes, which usually hit a seasonal peak just before school opens in the fall, are also at high production levels.

The return of many vacationing workers by the end of this month is expected to permit further production increases for many companies.



CREATOR of expensive neckwear, Countess Mara plans more ties for the luxury trade.

Countess Mara Expands Swank Necktie Business

In the upper surtax brackets, the name "Countess Mara" has come to mean elegant silk neckties. Since 1938, when the Countess Lucilla Mara de Vescovi Whitman opened her shop on Park Ave., bankers and movie stars alike have plunked down \$6.50 to \$15 for her original hand-screened cravats.

- **Expansion**—This week the countess announced that since business was better than ever, she had:
- Bought and started operating a new plant in Poughkeepsie, N. Y.;
- Formed a new company to be known as Countess Mara Mfg. Corp., Inc., of which she would be president. This will take over the manufacturing function of Countess Mara, Inc., of which she also is head.

The \$51,000 factory will supply the New York wholesale office of Countess Mara, Inc., with finished ties. This office,

HERE'S A LIGHT FOR STORE EYES!

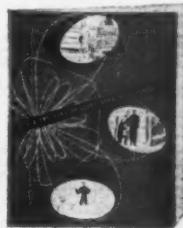


Sylvania Electric's CL-246 (two 40-watt lamps), latest addition to the world's most complete line of commercial fluorescent fixtures.

Don't let the extremely low cost of the Sylvania CL-246 make you suspicious. Not one iota of that famous Sylvania quality has been sacrificed in the making of this new fluorescent fixture.

Its simple, yet rugged, all-metal construction keeps the price down and at the same time assures long, useful life. Its uncomplicated design makes the CL-246 easier to install and maintain. It can be mounted by pendant or flush to the ceiling—singly or in continuous rows. It need not be dismantled for replacing lamps and starters.

Use the Sylvania CL-246 for better lighting in buildings, stores, offices and other commercial places.



For retail outlets, Sylvania has just published a booklet entitled "The Right Ways to Light Your Merchandise." Containing a wealth of information on how to make your lighting produce sales, this booklet is yours for the asking. Act now. Send your request to Sylvania at address below.

"Fluorescent at its finest"

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Fixture Division, Dept. 759, Ipswich, Massachusetts

Which way do you dictate?



ANCIENT WAY—man-to-secretary dictation. This impractical method keeps two people tied down hour after hour, every day—causing delay, and letting work pile up and get behind!



OLD-FASHIONED WAY—man-to-machine, acoustic dictation. A step forward, it frees the secretary and speeds work. But ease of operation and perfect reproduction dictate an even better method.



MODERN WAY—Electronic dictation, pioneered by Dictaphone Corporation, is a boon to both boss and secretary. Electronic recording lets a man *really* relax... completely! Speaking into the handy

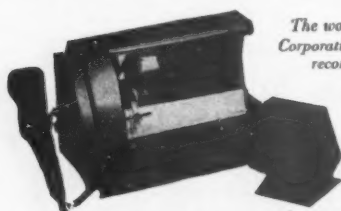
Dictaphone microphone is exactly like thinking out loud. And because it means faithful reproduction, your secretary can quickly transcribe all your dictation *with* ease, and *without* error!

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HAS PROVABLE ADVANTAGES

SIT BACK and relax. Your Electronic Dictaphone machine will catch every word—even a whisper. It gives you *better* recording! *Better* reproduction! Electronic ease! Dictaphone's dependable!

For a demonstration, call your local Dictaphone Representative. For descriptive literature, write Dictaphone Corporation, Dept. D-9, 420 Lexington Avenue, New York 17, N. Y.



Model AE, with either hand or desk microphone.

The word DICTAPHONE is the registered trade-mark of Dictaphone Corporation, makers of Electronic dictating machines and other sound-recording and reproducing equipment bearing said trade-mark.

DICTAPHONE

Electronic Dictation

in turn, will distribute and sell to her upper-crust department and specialty store customers (as well as supply her own shop). These include such establishments as I. Magnin, Los Angeles; Marshall Field, Chicago; Neiman-Marcus, Dallas. According to the countess, production will be increased roughly 50%.

• **Neckwear Factory**—The operation at the factory consists of turning the hand-screened silk into finished neckwear. The silk-screening is done elsewhere by an undisclosed company, using designs created by the countess and a growing staff of designers. Originally the countess did her own designing. But the popularity of her unique neckwear and the fact that she turns out only a limited number of each design made it necessary to call on outside help.

The countess says that she has more orders than she can handle. But with her new factory and enlarged art staff, she hopes to be able to keep up with the demand for loud (the trade calls it "sincere") but ultrasmart neckwear.

LUXURY TAX REFUND—IF

War-levied taxes on luxury goods are still making consumers stop and think before buying (BW—Jun. 7 '47, p. 77). One reason is that they don't like to pay a 20% excise on top of the original—and often substantial—price of the item. Another is that Congress might remove or reduce that tax when it reconvenes. Few buyers want to pay the tax if they can avoid it by waiting.

In New York last week, fashionable Bonwit Teller announced a plan to free would-be fur purchasers from the second of these dilemmas. Should Congress reduce the tax on furs before Feb. 1, 1948, the store will refund the amount of the reduction to the customer. The guarantee will cover all furs purchased from Aug. 1, 1947, through Feb. 1, 1948.

Other merchandisers felt that Bonwit was not taking much of a risk. They thought the possibility that tax removal could become law before the middle of next year was extremely remote.

P. S.

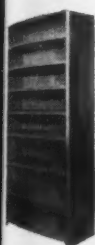
National Broadcasting Co. claimed another first this week. It says it is "the first network ever to direct a public relations campaign to a juvenile audience through the technique of the comic book."

20th Century-Fox mounted the television bandwagon last week, signed a contract with RCA-Victor for a joint program of research in large-screen video for theaters. The contract is similar to RCA's contract with Warner Brothers, signed a few months ago.

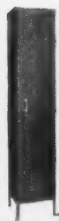
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will make the product...



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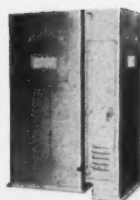
Lockers



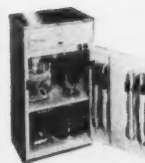
Kitchen Cabinets



Filing Cabinets



Electrical Control Units



Home Appliance Stands



Testing Cabinets



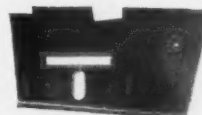
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Special Parts



Office Equipment Stands



Storage Battery Racks

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CONTRACT PRODUCTION OF SHEET STEEL ITEMS

(Gauges from 8 to 30)

(2) We will manufacture to your specifications, in Lyon Production run quantities, assemblies, sub-assemblies, or parts in gauges No. 8 and lighter up to No. 30.

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| • Economy Locker Racks | • Welding Benches | • Drawing Tables | • Drawer Units | • Bin Units | • Parts Cases | • Stools |
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With the Hancock Flo-Control Valve, a predetermined and exact amount of flow can be maintained in the line.

Once the setting is known, the valve may be closed and opened again to a precise point within a hundredth turn of the wheel. Nothing is left to guess-work or even knowledge of the operator.

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PRODUCTION

Sapphire-to-Metal Bonding

New technique will increase usefulness of jewels in gage cutting tools. It involves fusing of sapphire to copper-base alloy; the alloy can then be soldered or brazed to other metals.

Mention jewels to a production man, and he's likely to think immediately of their use as industrial tools rather than as baubles for decoration. And for good reasons: jewels are hard, they resist wear, they withstand chemical and temperature changes. That's why they are extensively used for cutting metal, for bearings in fine instruments, for wearing surfaces, for extrusion dies.

Wartime development of synthetic sapphires and rubies tremendously expanded industrial uses of jewels because cost went way down (BW—Jul. 1 '44, p42).

• **Bonding Process**—Now a technique which permits metallic bonding of sapphires to low-cost metal promises to widen the market for industrial applications of synthetic jewels. The new technique, called fusion bonding, has been developed only recently; so only preliminary conclusions can be reached as to the industrial impact of it. But insiders expect that the technique will produce important changes in several

types of industrial tools, notably gages.

The process was developed jointly by the Sapphire Products Division, Elgin National Watch Co., and the Armour Research Foundation. It involves the fusing of a copper-base alloy against the sapphire. This metal layer can then be soldered or brazed to the base metal (the same way the metalized glass is soldered to metal parts, using the metalized layer for bonding). The copper alloy that is used expands under heat at a rate between those of the sapphire and steel. This helps equalize the stress set up in the composite during heating.

• **More Perfect**—The sapphire found in nature is a blue, transparent gem formed from native alumina. Synthetic sapphires are made by dusting aluminum oxide powder (pure alumina) into a very hot oxygen-hydrogen flame (2,500 C). They are produced as carrot-shaped boules, or as rods, from which disks can be cut.

The synthetics are just as hard as



ELBOW ROOM FOR EFFICIENCY AND GROWTH

In the wide aisles of General Electric Co.'s new multimillion-dollar laminating plant at Coshocton, Ohio, workmen move freely to speed up the pace of the fast-growing laminate industry. Plenty of room allows easy flow of bulky sheets and trucks around presses; air conditioning, fluorescent lights make for efficiency, pleasant working conditions. Replacing the plant at Lynn, Mass., the new factory employs 600 workers. Austin Co., Cleveland, built it as part of G.E.'s decentralization program (BW—Nov. 23 '46, p31). G.E. figures to cut in on a bigger slice of decorative laminate business while continuing its mainstay of industrial plastic laminates.

Satisfied users

indicate a trend

CLARY ADDING MACHINES—Now in the hands of more than 17,000 satisfied users from coast to coast. This immediate, overwhelming acceptance of the Clary since June last year is shown by the sales chart at the left. The Clary is basically new. It's the world's fastest adding machine and the easiest to use. It adds, subtracts and multiplies. The trend is toward Clary. The value is sound. Before you *buy* be sure to *try* the new Clary.



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TELL ME MORE about the new Clary. Please send your latest booklet telling how the Clary can save us time in our accounting operations. No obligation, of course.

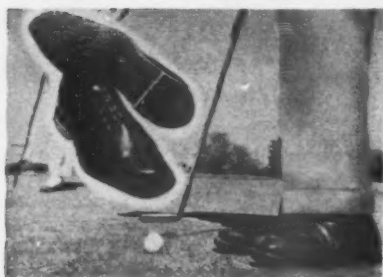
CLARY MULTIPLIER CORPORATION
1526 N. Main St., Los Angeles 12, Calif.

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3 Ways to Profit with NEOPRENE

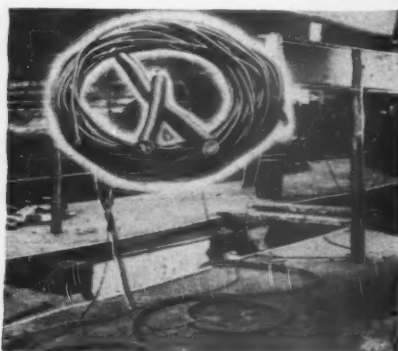
The Rubber made by Du Pont



1 IMPROVE A PRODUCT TO WIDEN A MARKET

Example: Garden hose takes a new lease on life when its cover is Du Pont neoprene. For this hose can be left in the hot sun without cracking or drying out . . . withstands heat and weathering. And the neoprene cover is tough . . . resists damage from abrasion and chipping when dragged over gravel, cement walks and drives . . . doesn't deteriorate in contact with grease and oil.

Alert manufacturers have widened their markets, made them more diversified and stable—by using neoprene



2 DEVELOP A SUCCESSFUL NEW PRODUCT

Example: This manufacturer is making sport shoes with neoprene crepe soles that keep that new look much longer . . . thanks to a new odorless neoprene. Neoprene withstands heat, sunlight, oils and grease—the soles don't soften, spread, or grow sticky.

By combining skill and imagination with neoprene, manufacturers are developing many new products for home and industry.



3 REDUCE PLANT MAINTENANCE COSTS

Example: Early failure of the jacket has long been responsible for high replacement costs for electrical cord and cable. Replacement cost is minimized when the jacket is Du Pont neoprene. For neoprene resists all the causes of premature failure of ordinary wire jackets: weathering, ozone, heat, chemicals, oils, cutting, tearing, and abrasion.

These and many other properties of neoprene mean longer life per dollar—saving in replacement costs, maintenance labor and shutdown time. Most industrial rubber goods will give more service when made of neoprene.

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Write for your free subscription to *The Neoprene Notebook*. Its stories about new or unusual applications of neoprene will give you valuable ideas. E. I. du Pont de Nemours & Co. (Inc.), Rubber Chemicals Division, X-9, Wilmington 98, Delaware.

HERE'S WHY NEOPRENE DOES SO MANY JOBS SO WELL!

- ★ Gives high tensile strength and resilience; low permanent distortion.
- ★ It's tough and durable; resists abrasion, cutting, and chipping.
- ★ Gives best resistance to sunlight, aging, ozone, and heat.
- ★ Resists deterioration from oils, solvents, chemicals, acids.
- ★ Gives peak air-retention; low permeability to gases and fluids.
- ★ Special compositions can be made flame-retarding, static conducting, or flexible at low temperatures.

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DU PONT NEOPRENE

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BETTER THINGS FOR BETTER LIVING
...THROUGH CHEMISTRY

natural stones. And, strangely enough, they are more perfect—containing no microscopic bubbles and no visible imperfections. So they are easier to cut and shape than natural stones.

• **Prewar**—Synthetic sapphires were produced for industrial use in Europe before the war. They were imported largely for use as bearings in watches and fine instruments. When war cut off the supply of imports, the government asked Linde Air Products Co., a unit of Union Carbide & Carbon Corp., to try its hand at making the stones.

Techniques developed by Linde surpassed those in Europe. The material was obtained in long rods, and in bond a half-inch or more in diameter. Availability in such sizes and shapes was an important factor in getting wider industrial use.

• **Properties**—Sapphire, besides being one of the hardest synthetic materials, also possesses the interesting property of being nonseizing (it won't grab or stick to another surface). That makes it ideal for small bearings. It has good compressive strength, and tensile strength runs about 150,000 p.s.i. But it is somewhat brittle.

Thus it is well suited for cutting soft metals, but it is not too good for cutting hard metals. Cut-off and facing tools tipped with sapphire have been used on lead, gold, and silver, and in machining thermoplastic moldings.

• **Problem of Wear**—An obvious and important use is for gages—required in a tremendous number by industry. Wear in a gage is serious because (1) it destroys accuracy and hence useful life; (2) unnoticed wear means that defective parts pass inspection; and (3) gages are not cheap.

Since a sapphire is translucent, it can be visually checked for wear. As long as the surface remains clear, there has been no appreciable wear. When a slight haziness develops, an accurate check of the gage or tool is needed.

• **Bonding**—Tipping of gages or tools with sapphires is possible mechanically or with adhesive bonding. But an adhesive bond suffers from all the limitations of the organic material of which the adhesive is made: deteriorations at high temperature, poor strength, and lack of dimensional stability. Hence the metallic bonds obtained by fusion of the new process promise to be superior for most applications. Bond strength of about 9,000 p.s.i., it is said.

Sapphires can be formed only by grinding with diamond wheels. So the usual procedure is to form the sapphire part of the composite (in a gage or cutting tool this would be the tip) and then to braze or solder it to the base metal the same way a carbide tip is bonded to a shank. But extreme thermal shock must be avoided; bonding must be done under uniform heat; and the joint must

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emphasizes "Seabee doing grand job ...

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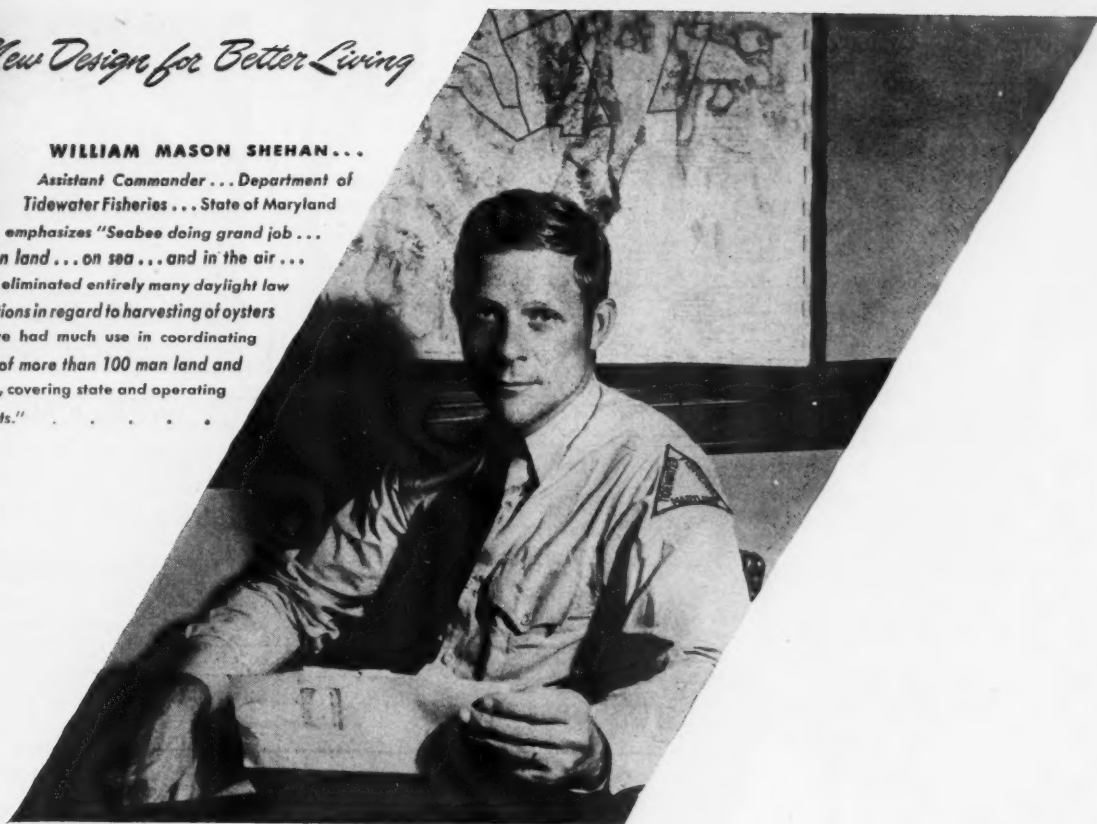
violations in regard to harvesting of oysters

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NEW INDUSTRY WAS BORN



OIL IS FLOWING from Iowa's lush fields—not "Black Gold" but an edible golden oil that has a thousand uses. The industrial applications for soy bean oil are being expanded daily. Already it is an important factor in soap, paint, salad dressing, printing ink, linoleum, rubber substitutes, and from it is made a butter substitute of high quality. From the residue after the oil is extracted comes stock feed, flour and plastics.

The wide horizons of the industrial utilization of soy beans invite alert executives with the vision to pioneer new products.

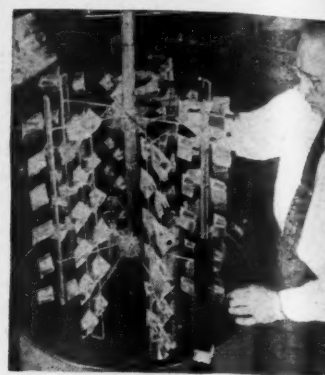
The fruits of years of research by scientists at Iowa State College are available to those who want to exploit this versatile and inexhaustible new raw material. The Iowa Development Commission welcomes inquiries from interested executives.

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To interested executives this valuable reference book containing a complete picture of industrial opportunity in Iowa is available upon request. Included are vital statistics on population, existing industry, agriculture, raw materials, markets, transportation, and living conditions. Write for your free copy now and see how you can profit by bringing your plant to IOWA! Address 748, Central National Building, Des Moines 9, Iowa.

IOWA DEVELOPMENT COMMISSION



GROWING A MINE

A new crystal, artificially grown at the Bell Telephone Laboratories, is slated to replace natural quartz in the nation's long-distance systems. Quartz, long in short supply, has up to now been indispensable in filtering voice channels traveling over the same circuit. Bell expects its lab product to replace 90% of the quartz now in use on the long lines.

be kept under pressure until the bond hardens.

• **Long Life**—Using this technique, has been possible to put sapphire tips on tracer fingers of duplicating devices like pantographs and on positioning points of automatic machinery. In such applications wear is localized, and such tips lengthen machine life.

For instance, the life of a sapphire-tipped gage has been reported to be hundreds of times that of gages tipped with other long-wearing materials. In one case, a user reported that a sapphire-tipped gage gave 7,000 times the life of a steel gage, 1,000 times the life of a sintered-metal gage.

• **Wider Field?**—The promoters of the new bonding process look to it to stimulate engineers' and tool designers' thinking on potential uses. Bearing orifices, dies, saw guides all made good applications for synthetic sapphires. Since the new method allows selective application of the jewel right at the point of wear, they expect to see the field for synthetic sapphires widen appreciably.

METAL-WORKING OUTLAY

U. S. metal-working firms, expecting a 1948 business level 21.4% higher than this year are undertaking a widespread retooling and expansion program.

The extent of this program is indicated in a 643-company survey by American Machinist, McGraw-Hill magazine of metal working. These companies re-

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MEAT BY-PRODUCTS—source of life-saving drugs, new fabrics, versatile chemicals, better soaps and healthful foods—reach deeply into our everyday living. In the laboratories and stockyards, the scientists of this industry working under the banner of Free Enterprise continuously develop new, valuable products and processes.

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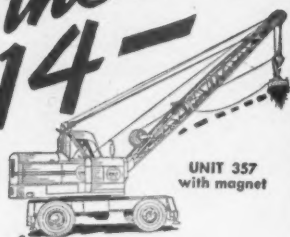
Co-worker with the Meat By-Products Industry . . .
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2 MEN Do the Work of 14—



UNIT 357
with magnet

UNIT 357 MOBILE CRANE
LIFTS—LOADS—DIGS—HAULS

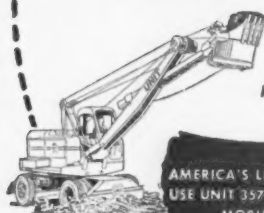
**1 OPERATOR AND 1 HOOK-UP
MAN CAN DO THE
WORK OF 14**

**RIDES ON RUBBER
TRAVELS ON ITS OWN POWER**

**FULL VISION CAB
OPERATOR SEES IN
ALL DIRECTIONS**



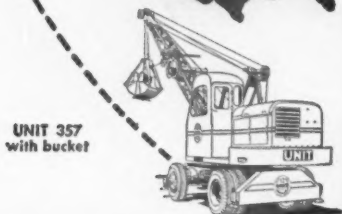
UNIT MOBILE CRANE
used in yard of large
automobile plant.



UNIT 357
Mobile Shovel

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USE UNIT 357 SELF-PROPELLED
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resent some 8% of the industry's out-
put.

The 643 companies, American Ma-
chinist found, plan to install \$95-mil-
lion in new production equipment by
the end of 1948. This includes \$60-
million for 8,669 machine tools, and

\$35-million for 3,477 pieces of other
production equipment.

From this sampling, the magazine es-
timates the entire domestic metal
working industry will spend \$450-mil-
lion to \$500-million for new machine
tools before the end of 1948. Another

THE PRODUCTION PATTERN

Magic or Markets?

Take some metal powder, squeeze it in a die, then heat it. Result: You get a finished part. That's the essence of the powder metallurgy process. It permits production of complex shapes without a lot of machining; it saves raw materials because there is no scrap; it makes for high production at close tolerances.

Because powder metallurgy can boast such advantages, it got reams of publicity during and after the war. But talk to engineers about it and, although they express interest, you'll find that the industry, production-wise, hasn't grown so fast as it sponsors had hoped. Why?

There's no question as to the soundness of the process or its potentials in many industries. In its widest application—bearings—it is fully accepted, has been for years. Yet the bearing market itself has literally only been scratched.

Growth is stunted because a great deal of thinking about the process is still confined to "magic" rather than "markets." In other words, powder metallurgy, like any new material or method, isn't going to grow until more people know more about it. And that means that powder suppliers, powder-parts fabricators, press manufacturers, and equipment suppliers will have to do some fertilizing—educationally—among engineers and management.

The powder metal technique is roughly in the fix that processes such as die-casting, screw-machining, plastics molding once were. Each of these required "radical" production thinking. Each had cost-savings features. Each, in its early days, was hindered by the notion that only a few could understand or apply the method. But when industry men found out, through proper sales, education, what the real pitch was, markets widened rapidly.

Headaches

First step in stimulating growth is to get positive answers to questions

like these: Are suppliers being too close-mouthed about the process? Have the right efforts been made to get management, engineers, and purchasing agents to realize the savings potentials of "design-for" powdered metal? Has anything been done to dispel the misconception that the process requires heavy capital investment? What steps can be taken to discourage bad applications?

Remedies

The basic remedy lies in promoting powdered metal as a production technique, rather than as a product.

Metal powder suppliers can do a broad educational job, give engineering advice. They can show that powder-metal parts can save money; that magicians are not needed to engineer or produce such parts. Management will want facts and figures. Engineers will want technical data on materials, properties, good and bad design, type of equipment required. They must be offered design help.

Equipment producers can supplement this work by adding information on their equipment. They must point out that, in many cases, press and furnace cost is not high; that production savings can offset investment; that sometimes existing equipment can easily be adapted to the manufacture of powder-metal parts.

Suppliers of powder-metal parts can show the manufacturer who needs a standard part in quantity (as opposed to a highly specialized part used only in certain products) that they are in a position to cut his costs.

Growth Assured

With this kind of information, a manufacturer or his engineers can approach the process from a realistic cost angle. Plenty of basic data is available from suppliers, fabricators, and equipment makers. This is the fertilizer that will stimulate growth of an important technique. The trouble, then, isn't lack of fertilizer; it's a matter of placing it where it will do the most good.

\$300-million is expected to go for other production equipment. By comparison, 1946 domestic sales of machine tools totaled \$247-million.

GLASS STRENGTHENS PAPER

Fibrous glass yarn is now being used to strengthen waterproof shipping paper. The yarn is laid lengthwise in parallel strands, or in diamond patterns. It is placed between two sheets of kraft—which are asphalt-treated for bonding and waterproofing.

Owens-Corning Fiberglas Corp., in announcing the new use, claims that: (1) the glass yarn will not absorb moisture; (2) its small diameter permits tight bonding between the sheets; and (3) the yarn is flexible, adds tensile, tear, and puncture strength to the laminated paper.

Three companies are producing the reinforced paper—Thilmany Pulp & Paper Co., Kaukana, Wis.; Central Paper Co., Muskegon, Mich.; and W. H. Stalston & Co., Inc., New York City. Also, Edgewater Paper Co., Menasha, Wis., and Albermarle Paper Co., Richmond, Va., are getting ready to make it.

PELLETING MACHINE

Flour millers are still trying to catch up with the demand for pelleted animal feeds.

Farmers who tried the pellets during the war found they cut handling time, boosted milk and egg production by allowing precision feeding. But small custom mills that could have increased the short supply lacked the equipment to go into the pellet business where short runs of different feeds had to be handled.

In Los Angeles, designers at Modern Machine Works, Inc., now have a machine that meets the small miller's needs. The machine, takes little space and horsepower, makes pellets of varied shapes, sizes from hay, alfalfa, fibrous materials, and powdered mashes.

SELF-STARTING FURNACE

Great Lakes Steel Corp. recently relined its "Big Bertha" blast furnace at Detroit in 45 days. Normal time is about twice that.

The work was speeded by using two large crews on 10-hr. shifts, and by an unusual method of cleaning. Iron was drained and "washed" out of the furnace while molten, instead of being allowed to solidify for dynamiting.

The furnace itself gave an unexpected burst of speed to the last stages of the job. Twelve hours before it was due to be blown in, it had accumulated so much heat from the 750 deg. drying air that the initial charge of materials ignited without any outside aid.



■ The high cotton fiber content . . . 75% . . . of Stonewall Ledger, the care used in its manufacture, give it strength and durability well beyond the average. Stonewall Ledger has excellent ruling, writing and erasing qualities, is ideal for bonds, deeds, journals, legal instruments and other forms subject to constant handling.



These famous names identify the papers manufactured by the Neenah Paper Company. The name *Neenah* appears in each watermark to identify the genuine for your protection.

OLD COUNCIL TREE BOND	TUDOR LEDGER
SUCCESS BOND	STONEWALL LEDGER
CHIEFTAIN BOND	RESOLUTE LEDGER
NEENAH BOND	NEENAH LEDGER
NEENAH THIN PAPERS	NEENAH INDEX BRISTOL

NEENAH PAPER COMPANY • NEENAH, WIS.



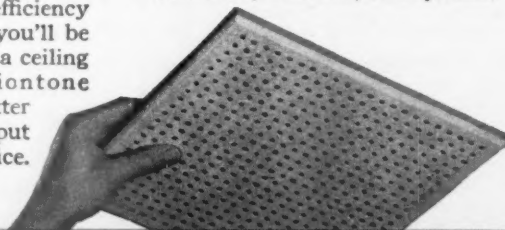
IS IT WORTH 3¢ A DAY TO END OFFICE NOISE ?

Wouldn't it be worth more than 3¢ a day to you to get rid of the distracting clamor that slows down your work? For only 3¢ a day you can have a ceiling of Armstrong's Cushiontone acoustical tile for your office to banish noise permanently.

3¢ a day per person, when figured over four or five years, is all it costs to free yourself and your office force from noise—from all those clattering typewriters, jangling bells, and echoing voices that reduce efficiency and cause errors. And you'll be amazed at how quickly a ceiling of Armstrong's Cushiontone pays for itself in better work and increased output of everyone in your office.

Up to 75% of the sound that strikes the surface of Cushiontone is absorbed in the 484 deep fibrous holes of each 12" square. Even repainting will not affect this high efficiency. Cushiontone is an excellent reflector of light and provides extra insulation. Ask your Armstrong contractor for a free estimate.

WRITE FOR FREE BOOKLET, "What to Do About Office Noise." It gives all the facts. Armstrong Cork Company, Acoustical Department, 4709 Walnut St., Lancaster, Pennsylvania.

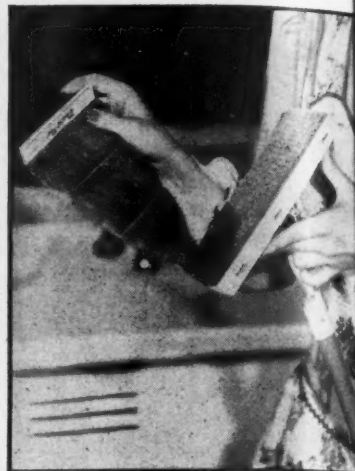


ARMSTRONG'S CUSHIONTONE



Made by the Makers of Armstrong's Linoleum and Asphalt Tile

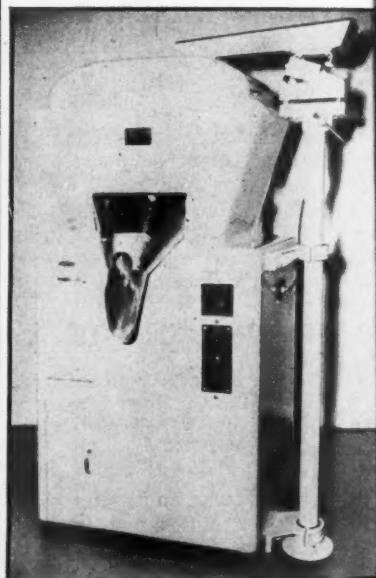
NEW PRODUCT



Floor Manicure

A handy inexpensive floor cleaner marketed by E. L. Bruce Co., Memphis 1, Tenn. The device not only does a easy, quick job of cleaning but, it waxes and polishes at the same time. A replaceable pad of superfine steel wool does the work, prevents damage to wood and linoleum from water-scrubbing. Equipped with a long handle, the pad can be worked from a standing position. Bruce calls it the Doozit.

Availability: immediate.

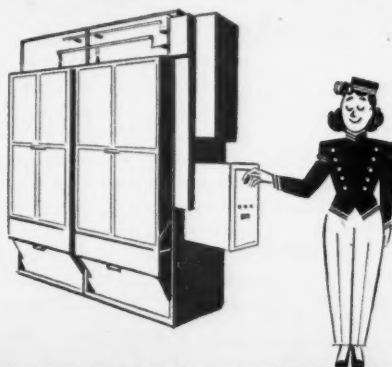


Automatic Weigher

Weighing dry products for packaging can often slow up the food processor production line. To speed the operation, Wright's Automatic Machinery Co., Durham, N. C., has developed a

SMOKING PERMITTED IN THE LOGES

... courtesy *Electro-Matic Air Filters*



NEARLY every business has a problem that can be solved by super-clean air.

Take the case of the Florida theatre owners who are opening the luxurious motion picture house shown here.

Smoking is allowed in the loges... some customers insist on it. Other people find the smoke is distressing and complain. Either way it looks like a sacrifice of one kind of movie-goer or the other.

Instead of turning thumbs down on the folks who want to "light up" these wise theatre operators consulted American Air Filter engineers. Now the smoke is literally swept out of recirculated air by Electro-Matic Air Filters. And both kinds of patrons watch shows comfortably.

Super-clean air pays off in other ways too. Expensive hangings, decoration and movie equipment last longer. Cleaning bills are reduced... the whole movie plant costs less to maintain. Today you can stop smoke, dust and dirt before they start costly damage.

Many a businessman will tell you, clean air pays off, by aiding production, by lowering costs. And AAF engineers will be glad to tell you how clean air can help your profit picture. Just get in touch with the American Air Filter Representative who serves your area.



New Miami Theatre, Miami, Florida

AMERICAN AIR FILTER CO., INC.

387 Central Ave., Louisville 8, Ky.

In Canada: Darling Bros. Ltd., Montreal, P. Q.

AAF

AIR FILTERS

AND DUST CONTROL EQUIPMENT



Boy fiddles while boss burns!

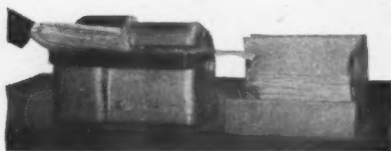
Two important letters were expected in the first mail—and the Boss wanted them fast! But at 9:25 Junior still stabbed envelopes, had most of the early mail unopened!

Does your office *wait* while mail is opened and distributed? Then you ought to have the Pitney-Bowes MailOpener! Electrically powered rotary knives of tough, long wearing alloy steel clip clean the

envelope edge without cutting contents... feeds, opens and stacks hundreds of envelopes per minute... handles envelopes of varying size or thickness... efficient, quiet, smartly designed, the MailOpener helps get mail distributed quickly, saves time, is a real office economy.

Ask the nearest Pitney-Bowes office for a demonstration, or write for an illustrated folder!

MAIL OPENER
A PRODUCT OF



PITNEY-BOWES, Inc.
1415 Walnut St., Stamford, Conn.
Makers of the postage meter. Offices in 63 cities in the U. S. and Canada

improved automatic weighing machine

The weigher, called Hy-Ta-Lec, a range of from 2 oz. to 16 oz., operates without a fulcrum point or weighing beams. Material to be weighed is continuously into the machine's vibrating feed by an overhead hopper or conveyor. Produce flows from the feed into a receiving bucket, is weighed and discharged ready for packaging. Working volume of the receiving bucket is 350 cu.

Availability: deliveries in 90 days.



Dressed-Up Fireman

Most fire extinguishers clash with home decor. Result: Housewives either do without them or keep them uncovered in some out-of-the-way corner where they're practically useless when an emergency occurs.

Dressed to fit in any room, Fire Wand is an extinguisher that should satisfy the taste of the discerning decorator as well as give efficient on-the-spot protection. Long plain cylinders filled with carbon dioxide are held in a metal hanger, look very much like door chimneys in a wall mounting. When a fire starts the cylinders lift out of the holder, into action when a valve handle is turned. Tel-O-Post Co., 140 Ash St., Akron, Ohio, makes the extinguisher markets it in one- or two-cylinder models.

Availability: immediate.

Model Plants

Companies scheduling new plant construction can get a pint-sized preview of how things will look from Industrial Models, Arden, Wilmington, Del. The company constructs scale models from flow sheets or blueprints as the new plant is being built. Engineers and d



CHAMBERSBURG
Builders of **IMPACT** Machines

1897 • Fiftieth Anniversary • 1947

CHAMBERSBURG ENGINEERING CO • CHAMBERSBURG, PA.

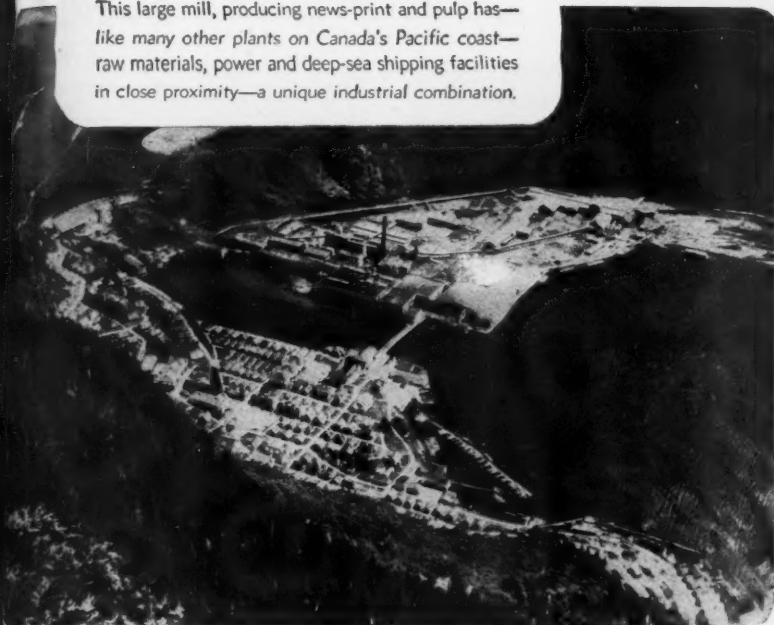
Canada's Pacific



Coast Province

BRITISH COLUMBIA

This large mill, producing news-print and pulp has—like many other plants on Canada's Pacific coast—raw materials, power and deep-sea shipping facilities in close proximity—a unique industrial combination.



An Important World Source of Industrial Material

366,255 square miles of Canada's Pacific Coast province encompass a vast range of natural resources. Important to the industries of the world many of these resources are neither fully developed nor fully explored.

To help industrialists consider British Columbia's potentialities, the Provincial Government will supply a factual report prepared in response to any specific inquiry.

High-calibre research facilities are offered locally—on a confidential basis—by the British Columbia Research Council. A non-profit organization, it is located at the University of British Columbia in Vancouver.

Advantages to new industrial developments in British Columbia are numerous. Year-round ice free ports on the Pacific, moderate climate, abundant water-power in a province with a long record of sound government contribute to the desirability of investing in this great area.

WOOD PRODUCTS

Forests of British Columbia are conservatively estimated to contain more than 254 billion feet of merchantable timber. Almost wholly softwoods, the timber stands include Western Hemlock, Spruce, Douglas Fir, Western Red Cedar, Silver Fir and Lodgepole Pine. Production of lumber, pulp and paper comprises the largest primary industry of the Province.

Forests have been placed on a perpetual yield basis. The industry is well-developed but a number of important opportunities for remanufacturing exist.

A partial list of wood products now being made in British Columbia.

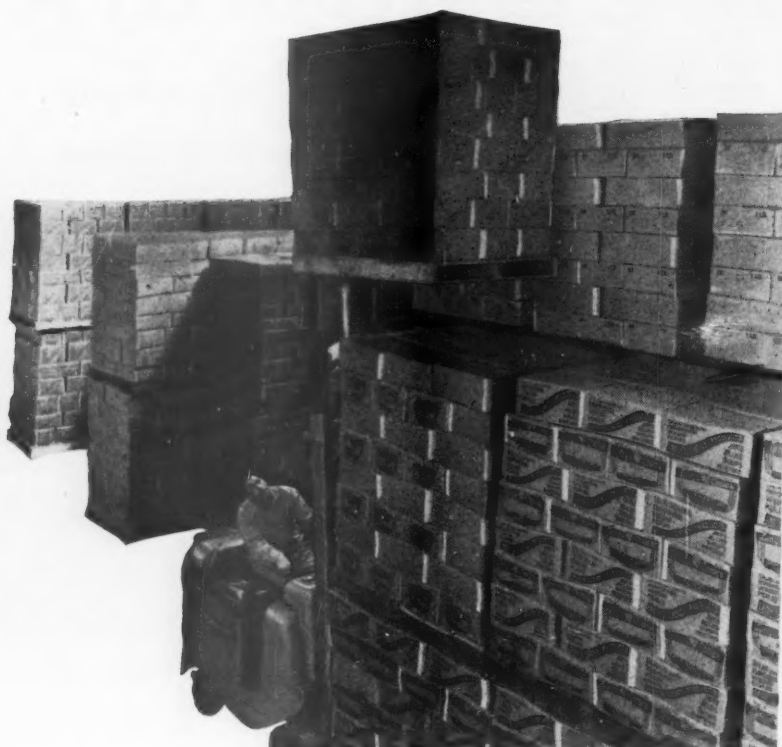
Fir Lumber	Impreg	Sawdust
Hemlock Lumber	Headings	Paper Boxes
Spruce Lumber	Pickle Kits	Boxes
Pine Lumber	Tool Handles	Corrugated Card
Railway Ties	Sashes	Pulp
Telegraph Poles	Doors	Container Board
Lath	Matches	Newsprint
Handle Squares	Crates	Writing Papers
Shingle Bands	Excelsior	Wrapping Paper
Match Blocks	Car Strips	Roofing Papers
Shingles	Furniture	Tissue Paper
Veneer	Charcoal	Insulating Board
Staves	Tar	Greaseproof Paper

Inquiries about industrial opportunities in British Columbia should be addressed:

**DEPARTMENT OF
TRADE AND INDUSTRY
VICTORIA
BRITISH COLUMBIA**

FREE

Warehouse Space Available



Right in your present buildings there's an "extra warehouse," ready and waiting to be put to use. It's the wasted overhead storage space that Towmotor Fork Lift Trucks and Accessories can convert into useful, profitable warehouse area. Swift, safe high-stacking of commodities with Towmotor can double, or triple existing warehouse capacity without increasing the amount of floor space. To learn how Towmotor puts *all* the warehouse space to work, send for a Pocket Catalog. Towmotor Corporation, Division 2, 1226 East 152nd Street, Cleveland 10, Ohio.

SEND for Special Bulletins Describing the TOWMOTOR
REVOLVING CARRIAGE • SIDE SHIFTER • UNLOADER • UPENDER • SCOOP
CRANE ARM • RAM • EXTENSION FORKS • EXTENSION BACKREST
OVERHEAD GUARD



TOWMOTOR
 THE ONE-MAN-GANG

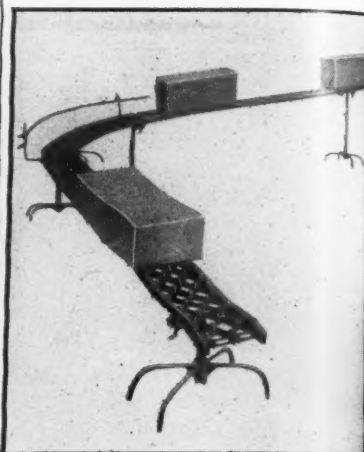
FORK LIFT TRUCKS
and TRACTORS

RECEIVING • PROCESSING • STORAGE • DISTRIBUTION

signers get an advance visualization of their problems; management is able to train key operating personnel so that the plant can get up to capacity operation with a minimum of delay.

The models contain actual structural members, all equipment, pipes, instruments, and valves. Cost is determined by the amount of detail desired.

Availability: in most cases, 3 to 4 weeks after order.



Lightweight Conveyor

Ease in handling and light weight are the claims made for an aluminum Load-Veyor conveyor. The machine follows the design of other models developed by Market Forge Co., Everett, 49, Mass. Big difference: a 10 ft. length of aluminum section weighs only 30 lb. a similar length in steel, 58 lb. The aluminum portable model also has an advantage where hazardous explosive are handled. Aluminum does not spark, provides an excellent conductor for static electricity.

Availability: four weeks.

Plastic Screw Anchor

Plastics are continuing to provide the answer to a lot of industrial problems. Holub Industries, Inc., Sycamore, Ill., has an all-purpose plastic screw anchor that it says will assure holding power in any material: wood, concrete, metal, or rubber.

Overlapping internal and external slits give the anchors a "concertina" expansion. Compressed when driven into tight holes, they expand as the screw enters. Thus maximum holding power is assured. The anchors are said to have an impact and tensile strength of 5,000 p.s.i. They are unaffected by moisture or acids, will withstand temperatures up to 180 F. A pliers or knife cuts them to desired length.

Availability: immediate.

OPERATION: Can Manufacturing

HEATING APPLICATIONS:

Joint Preheating

Seam Soldering

Enamel Coating

Lithograph Drying

FUEL:

GAS



American Can Company
Plant, Brooklyn, N. Y.

Enamel-coated tinplate emerging from drying oven

The productive flames of GAS perform essential functions in the manufacture of cans for the foods and beverages packaged by the giant canning industry. American Can Company's trademark is a familiar sight on the grocery shelf because so many of the best foods are preserved in CANCO cans. As a leading producer, American Can Company has developed streamlined equipment in which heat is a production tool and the

heat source is GAS, the invariable choice of design engineers who require fuel flexibility.

For lithograph ovens where uniform temperatures are essential to maintain color tones, in

body-making machines where the joint-seal requires pre-heating and solder-melting, in the tunnel ovens for enamel-drying, the remarkably precise controllability of modern GAS equipment is amply evident.

Labor-saving automatic controls, clean and pleasant working conditions, availability and dependability of supply make GAS the preferred fuel for all process heating. Your local Gas Company will recommend methods for applying GAS to your industrial processes.

MORE AND MORE...

THE TREND IS TO GAS
FOR ALL INDUSTRIAL HEATING

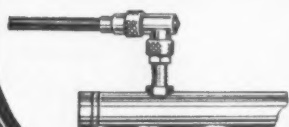
AMERICAN GAS ASSOCIATION

420 LEXINGTON AVENUE, NEW YORK 17, N. Y.

Do you know how
PLASTIC PERFORMS

as
electrical insulation?

FOR SPECIAL
AS WELL AS STANDARD
REQUIREMENTS



Where special design and dielectric properties are called for as in television or radar cable ... or where oils, alkalis, acids or other chemicals gobble up ordinary insulation ... or extra-ordinary dielectric strength is a critical factor ... just for example ... a scientifically engineered plastic insulation is your answer.

To illustrate:

For wire exposed to gases in refrigerating systems, development engineers of Plastic Wire & Cable Corporation, America's leading exclusive manufacturer of plastic-insulated wire and cable, evolved an insulation based on nylon.

For television leads and other high frequency carriers, a polyethylene insulation with the highest dielectric strength known, was developed. Mechanical protection without any possibility of chemical interaction is provided by a jacket of another PWC product.

In most special cases, as for standard uses, PWC wire or cable will give you ideal characteristics. Products of Plastic Wire & Cable Corporation combine extremely high dielectric strength with unsurpassed ability to run the gauntlet of hazards to insulation.

Chances are you have a precision molded plastic cord set—identified by the letters PWC on the plug—on a new radio, lamp or other electric appliance. Note the brilliant permanent color and lasting high-gloss finish. See how a swish of a damp cloth keeps it clean. Non-fraying, non-rotting, non-cracking, it will give you far better and longer service than any old-fashioned cord.

For consultation on your wire or cable needs, whatever their nature, or full technical data on plastic insulation, write Plastic Wire & Cable Corporation, 401 East Main Street, Jewett City, Connecticut.

PLASTIC WIRE & CABLE CORP.

Flexible Cords - Multiple Conductors - Telephone
Wires - Radio Wires - Power Cable - Cord Sets
Building Wire - Apparatus and Machine Tool
Wire - Coaxial Cable - Shielded Cables
Special Purpose Wire and Cable

FINANCE

(THE MARKETS—PAGE 114)

Costs Hit Booming Utilities

Inability to boost rates at will to meet rising expenses may cut 1947 profits 10% to 15% below last year's. Even though income is running at peak level, cost of labor and fuel offsets gains.

Since V-J Day, just about every industry has been bedeviled by ever-rising costs. The public utility business is not only no exception; it is worse off in at least one respect than other businesses. For, unlike them, it cannot offset new costs simply by boosting the selling price of its product. That's fixed by strict regulation. And getting an official O.K. to hike utility prices is a slow proposition.

• **Low Earnings?**—The possible result: The industry's 1947 net earnings may drop as much as 10% to 15% below last year's. This would be a decided turn of events, for the utilities industry has been one of the postwar's biggest corporate money-makers (BW—Aug. 24 '46, p. 93).

Early this year, things still seemed to look rosy because:

• **Gross revenues** had soared to a new peak of almost \$3.5-billion in 1946, while earnings kited some 20% above 1945 to \$658-million.

• **From January to June, 1947, gross income** jumped \$166-million more to a record first-half.

• **Net income** for the first half of the year soared \$6-million over last year's first half, while earnings for common dividends were \$15-million more.

• **For a long time** to come the utilities will be straining to supply increasing demand for power (BW—Sept. 13 '47, p. 15).

But the figures alone are deceptive if you're thinking about the long pull. Besides a decline in income tax rate from wartime levels, the utilities relied largely on lower fixed charges to turn a soaring gross into a rising profit.

• **Refunding**—The cut in fixed charges came from big interest savings made by refunding securities.

January-June fixed charges in 1947 ran \$16-million below year-earlier levels. Preferred dividend requirements were also some \$9-million less. If this hadn't been the case, profits after charges and senior dividends would actually have dropped to around \$287-million, or some \$10-million below the 1946 first-half figure.

• **End Must Come**—But refunding savings can't go on forever. Just about all

High Costs Gnaw At Utility Profit Margins

In Thousands—000 omitted

	Gross Revenues		Income Taxes		Net Earnings	
	1947	1946	1947	1946	1947	1946
Alabama Power (1).....	\$22,099	\$18,677	\$4,666	\$4,347	\$4,491	\$4,235
Commonwealth Edison (2)....	109,867	97,160	.....	.....	16,514	14,032
Connecticut Light & Power (1)...	19,697	17,588	.....	.....	2,993	2,942
Consolidated Edison of N. Y. (2)	173,011	163,349	9,790	14,026	20,637	25,217
Consolidated Gas, El. L&P (2)...	31,817	28,213	*4,984	3,069	4,366	4,047
Consumers Power (1).....	45,970	38,381	*7,391	*7,178	8,985	8,378
Delaware Power & Light (2)...	7,415	6,548	743	783	1,120	1,203
Dequesne Light (2).....	24,744	21,446	2,181	1,580	4,978	5,285
Georgia Power (1).....	32,973	29,881	5,033	5,038	4,043	4,514
Kansas City Pub. Service (2)...	6,140	6,371	324	434	170	189
Louisville Gas & Elec. (2)....	12,176	10,332	1,226	1,219	1,836	1,811
Metropolitan Edison (2).....	10,945	9,782	852	881	1,915	1,953
Mississippi Power (1).....	4,053	3,644	*1,031	*946	752	812
Narragansett Electric (2).....	9,330	8,627	449	497	1,160	1,345
No. Indiana Pub. Service (1)...	21,903	18,667	1,986	1,810	3,446	3,115
Northern States Power (2)...	30,915	28,060	3,824	3,908	5,341	5,482
Ohio Edison (1).....	24,660	21,058	4,887	4,446	3,827	3,434
Oklahoma Gas & Elec. (2)....	9,487	9,033	933	1,035	1,727	1,928
Pennsylvania Power (1).....	4,792	4,073	703	709	771	753
Potomac Edison (2).....	7,416	6,943	662	776	1,199	1,419
Public Service of N. H. (1)...	6,629	6,162	*799	*704	1,370	1,385
Public Service of N. J. (2)...	102,453	96,465	8,344	10,680	11,599	13,256
So. Carolina Power (2).....	4,831	4,654	892	921	560	665
Southern Cal. Edison (2).....	41,140	35,539	3,350	5,376	6,273	5,671
Utah Power & Light (1).....	9,515	8,267	473	33	1,640	1,329

(1) January-July Operations; (2) January-June Results; * All Taxes.

WHY NEWPORT NEWS IS A GOOD PORT FOR SHIPPERS

3 Yard facilities for 10,000 cars!



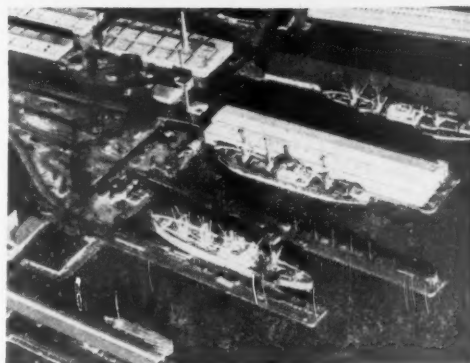
DID you ever see miles and miles of railroad lines filled by miles and miles of loaded freight cars?

Newport News is organized, designed and equipped to keep things moving—or, when waiting is necessary, to have the waiting done where it won't block the wheels of progress.

That's why at Newport News there are so many and such large yards—for receiving, classification, forwarding, storage, and service. Combined capacity of these yards is 10,300 cars.

Things are well under control at Newport News because ample facilities are provided.

All this means that your shipments in and out of Newport News



in import, export or intercoastal traffic—are expedited. Undue delay is eliminated at all times.

And bear in mind that your regular freight forwarder can book your traffic via Newport News as readily as via any other port.

The World Commerce Department of the Chesapeake & Ohio is a service organization fully equipped to help exporters, importers, forwarders and ship operators on all problems related to rail and ocean shipping of foreign and intercoastal freight.

If you have a problem, contact G. C. Marquardt, General Manager, World Commerce Department, Chesapeake & Ohio Railway, 233 Broadway, New York 7, N. Y., or any C&O representative.



For Speed and Economy ship via Newport News

THE CHESAPEAKE & OHIO RAILWAY

Another AIRCO first!

TODAY, steel making in the Open Hearth stands on the threshold of far reaching developments thanks to the cooperation of leading steel mills with Airco research.

The basis of this research is Airco's development of a practical method of injecting oxygen directly into the molten steel bath through the slag cover.

This opens up new avenues of approach in controlling, and in materially reducing the refining period.

Yes, tomorrow's steel will be produced faster due to this important use for oxygen . . . as developed by Airco technicians.

This promising new technique, which is exciting the imagination of steel makers, is another outstanding example of Airco's continuing effort to provide time-saving, product-improving tools and processes for ALL industry. The facilities of our Technical Sales Division are available to you in applying Airco techniques and products to the solution of your problem.

If you desire further information about this process, please direct your request for a copy of our bulletin, "Use of Oxygen In The Open-Hearth Bath", to Dept. 5650, Air Reduction, 60 East 42nd St., New York 17, N. Y. In Texas: Magnolia Airco Gas Products Company, Houston 1, Texas.



AIR REDUCTION

60 East 42nd Street, New York 17, N. Y.

Offices in all Principal Cities



FDIC PAYS OFF

Marking a monetary milestone, Maple T. Harl (right), Chairman of the Federal Deposit Insurance Corp., presents to A. L. Wiggins, Under Secretary of the Treasury, checks totaling \$146,695,250.41. The checks repaid more than half the amount originally subscribed by the Treasury and Federal Reserve Banks to start the insurance program back in 1933.

the juice is squeezed out. So operating costs—now rising faster and faster—at last going to be reflected in firm profits reports.

This trend is already apparent, in preliminary July earnings figures that the Federal Power Commission has just released for the utility industry as a whole. Gross revenues were \$294-million, 10% higher than in 1946; but operating expenses, taxes, and depreciation were 14%, and net income was down from \$44.6-million to \$42.1-million.

Even in the first half of 1947, the electric utilities' operating income (gross revenues after the payment of taxes, operating expenses, and depreciation charges) equaled only a 5.5% return on their capital investment. This compares with a 5.9% return for all last year. (An additional \$600-million was invested in plant and equipment expansion by the industry in the first half of 1947 at unit costs 30% to 60% higher than in prewar days.)

• **Higher Wages**—Two of the most important utility operating costs today are the size of payrolls and the price of fuel.

Back in 1945, wages per employee in the electric utility industry averaged around \$2,600 annually. By last year they had jumped to some \$2,704, last spring were averaging around \$2,828 a year.

And a new wave of wage increase became effective on July 1. That will raise July-December, 1947, payrolls some \$35-million above their previous

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September 10, 1947

1946 level. Also, the total of a
2,000 employees that the industry
adding monthly to its payrolls is
pected to boost the wage bill by another
\$30-odd-million or so.

• **Higher Fuel Costs**—Likewise,
cost of the coal and oil the industry
must burn to generate the major
of its electric power output has
rocketed. This has affected operating
expenses seriously, since the utilities
were recently consuming almost
million tons of coal and some 43-million
barrels of crude oil annually.

Two months ago coal prices jumped
another 50¢ to \$16.65 a ton, depending
on the district, the type of coal, and
the disposition of the individual operator
(BW—Aug. 27, p. 17). The utilities
generally use low grade coal, a large
percentage of which is produced by
cost strip mines. Nonetheless, even a
70¢ per ton average increase in coal
costs could raise fuel expenses by
\$56-million annually. (There may be a
new addition to the fuel expense: The
railroads are pleading for higher freight
rates.)

• **Offsets**—Escalator clauses in many
electric rate schedules will provide some
offset to rising fuel costs. But the
arrangements now in effect which allow
for rate increases and permit pass along
part of the increase to consumers
apply mainly to industrial customers.
Moreover, under most of such clauses
the added costs are just about split
between power producer and user. And
they don't cover more than about 40%
of the entire electric output.

Rate increases to offset today's high
operating costs will be a much harder
nut to crack in the industry's highly
profitable residential business. There
is no doubt that regulatory bodies will
be loath to take any action now that
would result in higher electric rates for
individual consumers.

WALL ST. GOING TO BAT

A big block of stock in the New York
Yankees professional baseball club will
shortly be offered to the public according
to persistent Wall Street rumors. If
the rumors are true, this would be the
Street's first baseball deal.

The stories have it that about 49%
of the stock—close to 300,000 shares—
will be sold. Price would be \$9 to \$10
a share, which would yield over 5% on
the basis of current dividend payments.
Proceeds would be used to reduce the
principal of a mortgage and to pay for
a bank loan.

No registration has yet been filed with
the Securities & Exchange Commission.
But those who claim to be in the know
say the deal has already passed the stage
of preliminary Wall Street negotiation
that the American League heads have
already given their approval.

What strange discomfort PLAGUES these six people?



Executive. His mind skips around like a jitterbug's feet. He's indecisive, inefficient. Long before the business day is over he's a weary bundle of taut nerves. His employees have the same troubles. The cause? Noise! Office noises cloud judgment, slacken and dull mental processes, and produce fatigue as surely as physical exertion.



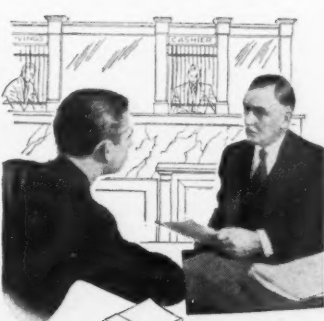
Student. Her study periods are largely wasted because she can't keep her attention on her work. In her classrooms, too, her mind wanders. She often fails to hear her teachers accurately. Noises are retarding her—distracting, nerve-straining, unnecessary noises which are enemies of education from kindergarten through college.



Hospital Patient. Her mind and her nerves should be at rest, to promote rapid recovery. But instead she is tense and uneasy, haunted by vague fears. Why? Because the hospital is noisy. Noises cause fear reactions and a resulting loss of vitality. Harmful even to healthy people, noises have far greater ill effects on the indisposed.



Worshiper. She is eager for the comfort and encouragement of the clergyman's messages and the inspiration of fine music. But, though her hearing is acute, she misses much of every sermon. Why? Because sounds reverberate so long that words become "scrambled." Poor acoustics distort music, too, and make church school and social rooms uncomfortable.



Bank Customer. He had always liked seeing bank executives in open offices. They seemed friendly and approachable there. But today, when he wants to talk confidentially, he feels a discomforting lack of privacy... fears that he'll be overheard. The hum of activity reverberating through the bank destroys the atmosphere for which every banker strives.



Restaurant Patron. He came in for good food and good conversation. He got the good food, but he won't come here again because conversation proved all but impossible. Like most people, he prefers quiet restaurants, where he can converse without shouting, where waiters can hear his orders accurately, and where a calm, peaceful atmosphere promotes relaxation.

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Check Usage Soars

Total bank debits passed the trillion-dollar mark in 1946. Main reasons: special accounts, wider use by federal government.

Use of bank checks in the U. S. has moved into astronomical brackets during the past few years. In 1946, total bank debits (the sum of all checks cashed) passed the trillion-dollar mark for the first time. This makes it the only 13-digit number used in the economic statistics of the nation.

• **A Thumping Tonnage**—No one knows for sure just how many separate checks are written in the U. S. in a year. Best available estimates put the number at about 5-billion in 1935, 7-billion in 1943. Guesses on current usage range all the way from 8-billion to 12-billion—a thumping tonnage of paper and ink in any case.

Growth in the use of checks has stuck fairly close to the ascending curve of the national income during the war and postwar period. Bank debits were \$406-billion in 1938 and \$1,050,000,000,000 in 1946—a rise of about 150%. Meanwhile, national income rose from \$67-billion to \$176-billion, almost the same percentage gain.

• **Increase in Use**—Checks are nearly as old as recorded civilization. The Assyrians used them in some form as early

as 900 B. C. Though checks have been used in America since Colonial days, they received their biggest impulse about the time of the depression in 1930's. Some of the reasons:

- The federal government's vastly increased use of checks for Social Security and relief.
- Federal underwriting of bank solvency through the Federal Deposit Insurance Corp.
- Increasing use of checks for payment of corporate payrolls (in part due to necessity for keeping Social Security wage-hour records).
- Weakening of bankers' traditional stiffnecked attitude towards modern promotional and selling methods.
- The sharp increase in pay-as-you-checking accounts (no minimum balance required) since the middle 1930's.
- **Demand Deposit Rise**—Demand deposits in the nation's personal checking accounts rose from about \$10-billion in 1942 to \$27.6-billion in 1946.

At the same time, bankers say, checking accounts have reached out to more people in the lower brackets.

• **Special Accounts**—Much of this is due to the growing popularity of special checking accounts, which opened up banking facilities to many people by removing the minimum-balance requirements. Estimates vary, between 4,000 and 5,000 banks now have some form of special accounts—possibly 30% of all U. S. personal checking accounts.

Checkmaster Systems, Inc., pioneer in the field (BW-Apr.18'42,p22) figures



WORLD BANK AND FUND WEIGH THE SCORE

In the dignified halls of the Institute of Civil Engineers in London directors of the World Bank and of the International Monetary Fund hold their annual meetings. Actual heavy thinking goes on in the three story underground wartime offices of the British cabinet a few blocks away. The Bank and Fund are seeking ways to relieve Europe's dollar shortage. But U. S. representatives, headed by John W. Snyder, Secretary of the Treasury, are holding out against turning either into a stopgap relief agency.



ALL THE HORSES SINCE THE BEGINNING OF TIME

If you called up all the flesh-and-blood horses since the beginning of time, they still couldn't equal the horsepower consumed by American industry in a single year.

In 1946 alone, utility companies and privately owned power plants generated 145,000,000,000 kilowatt hours of electrical energy, the equivalent of 194,000,000,000 horsepower — and two-thirds of this

total came from steam operated plants that must have power piping capable of withstanding extreme pressures and cyclonic velocities under high temperature.

M. W. Kellogg's contributions in power piping have been as notable as its work in other phases of creative engineering. From Kellogg's pool of know-how came new corrosion-proof alloys, such as Kelcaloy

— new high standards for shaping, welding, bending and stress relieving.

It's accomplishments like these that have earned for the Kellogg organization a foremost position in creative engineering over the past 35 years — in the processing of petroleum, chemicals, natural gas and non-mineral oils, as well as in the newer fields of atomic fission and jet propulsion.

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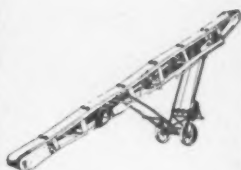
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ures that the number of special accounts now handled by the banks in which its systems are installed just about equals the regular accounts.

• **Checkmakers' Boom**—The vast upsurge in the use of checks has brought a tremendous business boom to the firms that make and print them. A good example is the Todd Co., Inc., of Rochester, N. Y. It does an all-around banking supply business—makes and prints safety checks, produces bank forms and check-signing machines.

Todd's gross sales for the last fiscal year ran just over \$11-million, double its 1942 gross. At the moment Todd is grinding out checks at a billion-a-year clip, has 10,000 to 12,000 individual orders on the floor of its Rochester plant at all times.

• **Other New Wrinkles**—As banks have become more promotion-minded they have worked up a number of new wrinkles to sell their services. These include special checkbooks for estate executors, gift checks (for birthdays and holidays), bill-paying services, checkbooks for left-handed people (with the stub at the right end of the book).

Not all the new devices have been popular in some quarters, however. The American Bankers Assn. takes a dim view of what it terms "headache" checks (BW—May 31 '47, p. 58). Considerable progress had been made in the standardization of check sizes and forms until the middle 1930's. Then, says A.B.A., things went haywire. "Advertising-minded manufacturers and retailers," it complains, "started to use checks as an advertising medium, plastering the plant or product all over the face of this heretofore sacred medium of exchange. Then followed accounting and systems engineers who devised special tabulating and computing machinery for putting everything on a check but the payee's shirt measurements.

• **Tabulated Card Checks**—The last few years have brought an increasingly heavy use of checks printed on stiff cards and punched for automatic tabulating. Different versions of these are put out by Remington Rand, Inc., and International Business Machines Corp.

The I. B. M. check, for instance, was first used on a large scale by the federal government in the early 1930's. Now, some 74% (about 161-million a year) of all government checks are turned out on I. B. M. machines. Many larger firms also use I. B. M. or Remington Rand card checks for speeding up the processing of payrolls, dividend and other checks.

Recently other new developments have helped speed up the handling of checks. Last year the Federal Reserve Bank of New York pioneered with air freight shipment of checks cleared through it. It now ships about 2,000 lbs. of checks daily to other Federal



PETAL PROFITS

Blossoming into dollars, flower bulbs are painting a pretty picture for Sears Roebuck & Co.'s expanding nursery business. A recent shipment from the Netherlands brought 5-million of the spring bloomers direct to Chicago aboard a Dutch freighter. With one of Holland's largest single orders for bulb stock on its doorstep, Sears made sure the scene was properly landscaped.

Reserve districts, most of which have followed suit. The A. B. A. has made headway with its campaign to banks to add Federal Reserve district designations to the face of their checks. Some 75% of U. S. banks have already caught on.

REYNOLDS PEN FOR SALE

The fabulous Reynolds Pen Co. is for sale. Milton J. Reynolds, owner of the company which earned over \$2 million the first year it manufactured ball point pens, is "interested in freeing myself from some of my business interests to devote more time to aviation research." He says he is now dickering with two large, established manufacturers for the sale of a substantial interest in the business.

Neither of the two companies Reynolds reports, is in the pen trade. One, however, makes products which are sold to such potential pen buyers as stationery and drug stores. The other, a machinery maker, could easily fit into its own line the making of the pen that go into the Reynolds pen.

This is not the first time the Reynolds has shown a desire to shake the ownership of his pen company. Some 15 months ago the company registered an offering of 400,000 shares of no-par common stock (BW—Jun. 15 '44, p. 44). Because of the stickiness of the new issues market, however, the registration was withdrawn last December.

LABOR



L. LEADERS won't sign Taft-Hartley affidavits; John L. Lewis (right) stopped them

A.F.L. Joins the Boycott

Lewis wins battle with rest of federation executive board, decision against signing non-Communist affidavits required Taft law if member unions are to be recognized by NLRB.

John L. Lewis last week won the first of a battle to weld A.F.L. into an aggressive, fighting organization. Acting alone against patriarchs of American labor, Lewis blocked A.F.L. compliance with the Taft-Hartley law. **Don't Sign**—As a result, A.F.L.'s executive council will not sign non-Communist affidavits. Its refusal to do so bars the federation's 105 unions and 7.5-million members from filing any cases to the National Labor Relations Board. It places A.F.L. along with C.I.O. in boycotting the agency. The next round of the battle will be at the federation's annual convention in San Francisco next month. It is determined that he will solidify victory at that time or be unhorsed in the attempt.

Other Action—The decision on Lewis' policy in regard to Taft-Hartley compliance was the most significant item of a week-long executive board meeting in Chicago. Other than that, the board reaffirmed its position on the question of unity with C.I.O., made a promise of political war on those responsible for passage of the new labor

William Green, A.F.L. president, and board members he was pessimistic

about the possibility of A.F.L.-C.I.O. amalgamation any time soon. Only complete, organic merger of the two bodies is acceptable to the federation. And, Green reported, "the character of some of the men in control of some of the [C.I.O.] organizations" is a barrier now to such a merger. He referred specifically to C.I.O. Communist leaders, an influential minority.

The executive council turned down proposals by C.I.O. to collaborate in political action. What A.F.L. does in 1948 election campaigns—and it's likely to be plenty—will be strictly the federation's own planning, and own work. **• Unexpected Furor**—These decisions were harmonious, and routine. They lacked the fire that the non-Communist affidavits issue unexpectedly developed.

This matter was the first order of business for council members. A unanimous vote in favor of filing was necessary, under council rules, and Green and other federation top brass were confident they could get one. All officers present except Lewis had announced that they would abide by the affidavit rule, although they opposed it in principle as undemocratic. As well as federation leaders knew Lewis, they refused to believe that he would hold out

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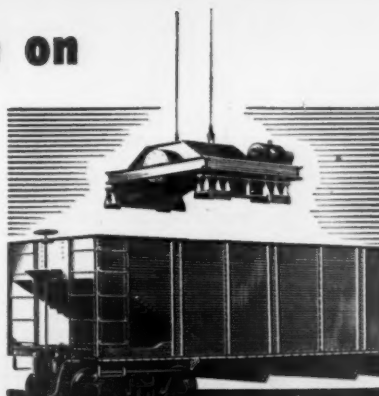
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presidency, an improbable feat. Hence, Lewis is thinking ahead to new tilts and new victories over traditional A.F.L. policies.

The next will doubtless come over

A.F.L.'s course in the 1948 political campaign. Lewis' success or lack of will be measured by the extent of the federation's militance for and against various candidates.

THE LABOR ANGLE

Who Does the Thinking for American Labor?—I

Who thinks for American Labor? Getting the full answer to that question should provide a better insight into where labor is going than almost any other line of exploration.

Part of the answer is easy. It is plain to see that what James Caesar Petrillo does with a New York record company isn't lost on the union leader in a midwestern factory town. The contracts John L. Lewis writes are essential reading for labor officials everywhere. Bold operators like these do most of the tactical thinking for the American labor movement. Employers very remote from the industries which these figures dominate have learned to follow their action closely for advance notice of what all business may have to face.

It is also easy to glimpse the corps of technicians behind most of the prominent labor leaders. But their importance is not so quickly apparent. At the head of research, economics, and publicity departments, labor's "staff experts" make a significant contribution to labor thinking. These are the men like Donald Montgomery of the auto workers, Sol Barkin in textiles, Vincent Sweeney in steel, Lloyd White in the machinists, and Lazare Teper in the needle trades. They watch the industry in which their union operates like hawks. They never make the front page, but anyone interested in what is germinating in the union mind would do wrong to ignore them.

These are the men who take the naked demand for an annual wage or a welfare fund and clothe it with arguments, statistics, public appeal. In many cases, these are the men who first brought the plan for going after such things to the leaders' attention. Where does this group get its ideas?

Intellectuals

To find out, we must know something about what kind of people these technicians are, about the kind of thinking they are exposed to. Their most important characteristic, for our purposes, is that they are intellectuals. By this, it is not meant

that they are necessarily intelligent, nor members of the large group of those whose occupations could properly be listed under a "brain worker" heading. But they do make up a distinct social class with special attributes in common—about which more later.

For many years, the American labor movement was suspicious of the intellectual and hostile to his influence. He was looked upon as an educated fellow with his head full of theories who was likely to be a zealot in some cause. His rather abstract ideas—of what labor was and what its destiny was to be—made no sense to the practical-minded men who led the old labor unions.

In this respect, American labor history differed markedly from European. The labor movement abroad was either led by intellectuals or responded directly to their influence. This is one of the key reasons why European unions, in contrast to ours, are traditionally socialist or syndicalist and involve themselves in such utopian movements as cooperatives.

In this country, the intellectuals' influence on labor had to come from outside the unions. The simple reason was that old-line leaders offered them no place inside their unions.

Change

Times have changed, however. Today, the most conservative union finds it needs a full team of lawyers, economists, researchers, writers, and (if it has an education program) teachers, to do its job. Circumstances have required it to find desk space in headquarters for men in the skill-groups in which the intellectual is most often found. The old barrier between labor and the intellectual has been pretty well pulled down.

This has had important consequences on labor's thinking. In considering the mind of these intellectuals we are on a direct track toward the answer to who thinks for American labor, and what kind of thinking is being done. The next Labor Angle will carry us further.

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UNITED STATES STEEL

Dispute Warmup

Sen. Ball makes it clear that courts—not his committee will have to clear up Congress intent on Taft-Hartley law rule

Sharp dispute over a relatively simple part of the Taft-Hartley law—filing non-Communist affidavits—forges a more argument when really complicated sections come up for tests.

The development of controversy was foreseen by Congress when it created, part of the law, a watch-dog committee of seven senators and seven representatives. Under its chairman, Sen. Joseph H. Ball, the committee will oversee the law's operation and make a study of critical problems in labor relations (BY—Aug. 27, p60).

• **Hopes**—Many are looking to this committee to clarify the intent of Congress on some of the disputed rules. Some, including Rep. Fred A. Hartley, Jr., co-author of the law and committee vice chairman, would like to see the committee investigate various settlements of the union liability issue for possible law violations. They probably will be disappointed.

If Chairman Ball has his way, the committee will keep arm's length from current disputes. While individual members may express their views, both Ball and Hartley have done, the committee itself will not take a position on the meaning of various parts of the law. The law is on the books. It's up to the courts to interpret it, as a Fourth federal judge already began doing last week by a decision on the affidavit question (BW—Aug. 23, p67). It is questioned whether an opinion of the committee would have legal status. It is not authorized to speak for Congress.

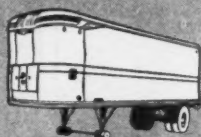
• **Disagreement**—Incidentally, Ball and some of his staff do not agree with the ruling of Robert N. Denham, General Counsel of the National Labor Relations Board. (The Denham ruling—that officers of the C.I.O. and A.F.L., as well as those of national and local unions should be required to file non-Communist affidavits in order to qualify for NLRB service—was affirmed in the first court test.) They assert that such was not the intent of the law's framers. Denham and the court contend that is what the law calls for, regardless of intent.

Ball said he thought the Taft-Hartley law was working "very well." He said he did not see anything that needed changing.

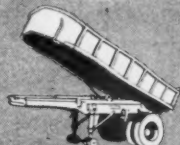
The Ball committee is not operating without a goal. It has a specific objective spelled out in the law. It must make a preliminary report and recom-



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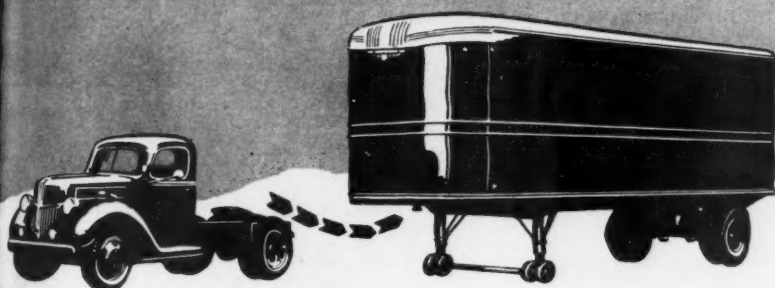


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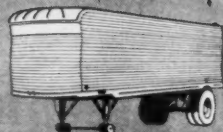
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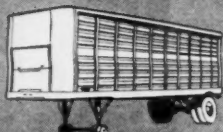
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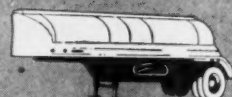
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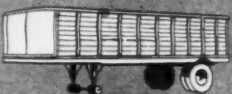
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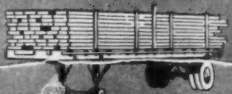
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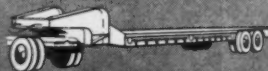
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BONING UP for an NLRB study of system: Lincoln Electric's J. F. Lincoln

recommendations to Congress by Mar. 1948, and a final report by Jan. 2, 1949.

Next meetings, first since the law came effective Aug. 22, will be Oct. 7 and 8. Tentatively, public hearings are planned for late November and early December. They may be both in and out of Washington.

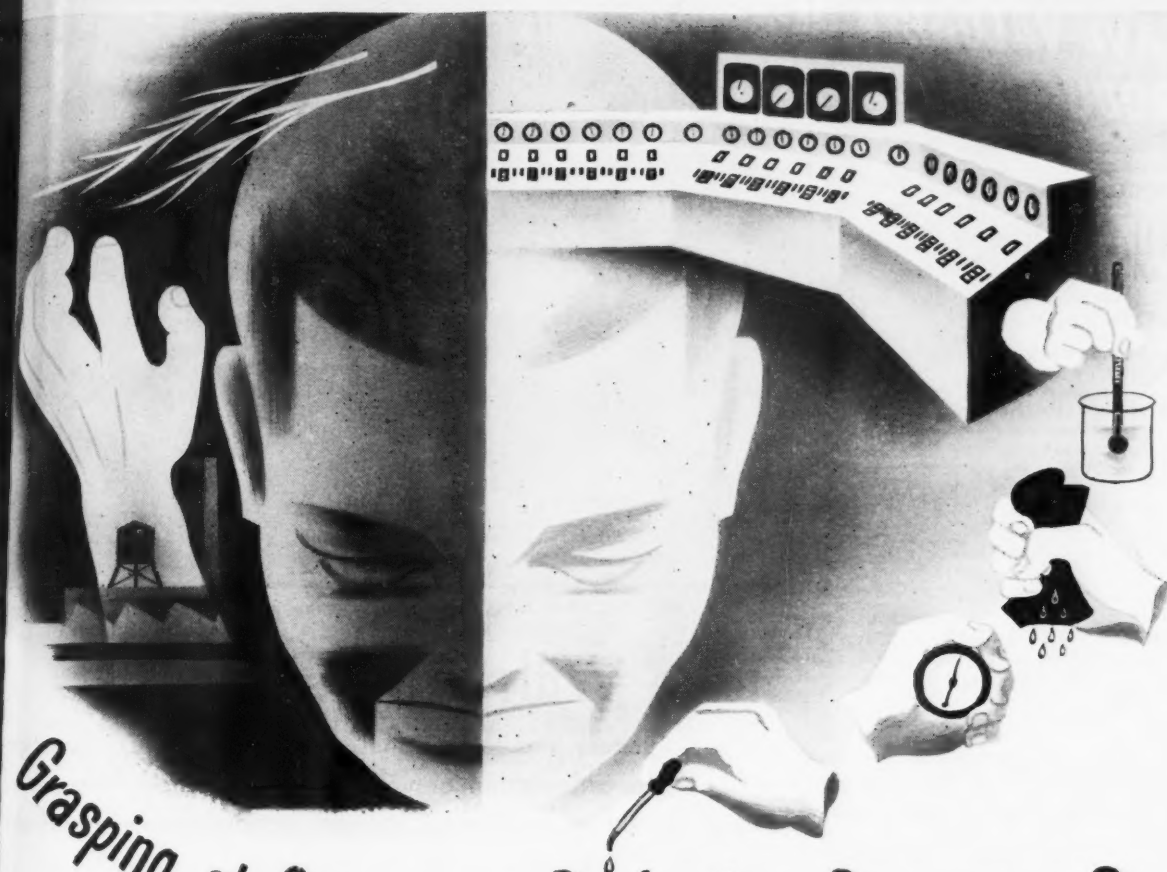
• **Studies—Meantime**, Committee Counsel Thomas E. Shroyer has not been idle. A staff of seven has been hired to "study," not "investigate." It is now digging into questions of productivity, industry-wide bargaining, incentive plans, welfare plans and others.

Labor-management relations at Botany Worsted Mills Co., Passaic, N. J., and Pittsburgh Plate Glass Co., both C.I.O.-organized, are getting a once-over. Studies are also contemplated in steel, automobile, electrical, maritime, and other major industries. Maritime, steel and coal are certain to get attention on the problem of industry-wide bargaining.

The nonunionized Lincoln Electric Co. of Cleveland probably will be given a chance to air its incentive plan. In recent years, this plan has netted all employees, from sweeper to president, an annual bonus equivalent to a year's earnings. At the same time, Lincoln Electric has been steadily reducing prices and improving its product.

One of the staff activities is keeping a record of all suits filed under the law. And it pays careful attention to the charge raised and the defense.

Another activity, unusual for Washington bureaucracy, is the funneling through the committee staff, of all motions taken by any government agency touching in any way on the new law.



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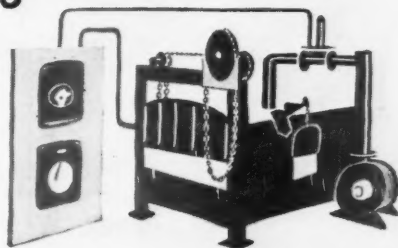
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HIGHLY PAID TECHNICIANS desert slide rules for picket signs to solve a problem

Strike With a Difference

Engineers and technicians on picket line raise question of just how far organization of high-paid, highly skilled professional workers should go. Engineering societies oppose unions in this field.

When 600 employees of Ebasco Services and the Fairchild Engine & Airplane Corp. struck recently in New York, it was no run-of-the-mill walkout.

The men who took up C.I.O. picket signs are engineers, power-plant designers, electronics technicians, mathematicians, aerodynamicists, draftsmen. They rate high in their professions, can boast memberships in the tightly restricted engineering societies. The majority have had at least seven years of professional experience. And they are in the top salary brackets: At Ebasco Services (wholly owned subsidiary of Electric Bond & Share Co.) their monthly salaries range up to \$450; the average is about \$395.

• **Crucial**—Thus the two strikes involve what, to many labor-relations observers, is a crucial issue: Unionization of professional and technical workers. That issue was getting major interest this week in management offices. Debate over merit-rating, seniority in layoffs, severance pay, and grievance procedures spotlighted such basic questions as:

• How can professional status be gaged properly, and insured?

• To what extent, if at all, should a labor union represent technical employees, with specialized training and abilities?

• **C.I.O. Union**—Both disputes involve members of the Federation of Architects, Engineers, Chemists, and Techni-

cal Workers—an affiliate of C.I.O.'s United Office & Professional Workers. The Fairchild strike is at the company's Pilotless Plane Division. Technicians there work on development and production of guided missiles. A dispute over salary and working-conditions clauses in a new contract brought the walkout.

The Ebasco strike also came when negotiations over a new contract deadlocked. The important union demands at issue are for a 12% wage boost, and revisions in seniority and merit-rating.

• **First Ebasco Contract**—F.A.E.C.T. won bargaining rights for Ebasco's Dept. of Design & Drafting early in 1946. Four months of negotiations brought a one-year contract which gave a 15% wage increase. Last January the union used a wage reopening clause to demand a cost-of-living pay hike. The demand went to arbitration, and the union got a \$5-a-week increase (about 6% of the minimum rate).

Two weeks later the union and company opened negotiations on their 1947-48 contract. F.A.E.C.T. asked for another raise; Ebasco refused. The company's position: The arbitration award had pegged wages to living costs, and had allowed for changes to Feb. 1, 1947. Since then, said the company, the c.-of-l. rise had been a negligible 1 1/2%, not enough to warrant another general increase. F.A.E.C.T. contended, in re-

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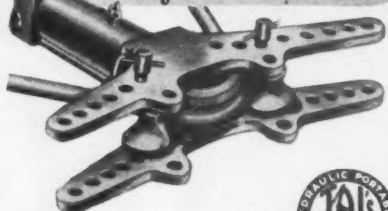
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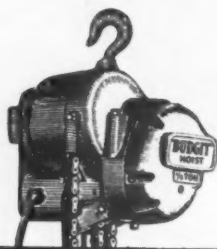
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buttal, that the technicians' 21% increase during 1946 and thus far in 1947 is at least 12% short of the gains made by industrial unionists.

• **Independent at First**—F.A.E.C.T. was organized as an independent union in 1934. Its beginnings created little attention outside the professional and technical societies. National interest didn't come until 1937, when F.A.E.C.T. called the first big white-collar strike, at the Universal Oil Products Laboratories in Chicago. Participants in the six-week walkout included employees ranging from laboratory technicians to Ph.D. chemists. Shortly afterward F.A.E.C.T. affiliated with C.I.O. Last year the F.A.E.C.T. merged with U.O.P.W. (BW-Jan.12'46,p102).

Today it claims a paid-up membership in excess of 17,000, and about 100 national contracts.

• **Only a Dent**—The membership claim represents about a 100% increase since the merger with U.O.P.W. But it is hardly a scratch on the surface so far as the potential is concerned.

A.F.L. has a parallel union, the International Federation of Technical Engineers, Architects & Draftsmen's Unions. It is even smaller: Late figures place its membership at about 7,100. In addition, technical workers in many major corporation laboratories have formed small, unaffiliated unions. Most technical employees, however, still don't belong to a union.

• **Plans**—F.A.E.C.T. is mapping big plans for a membership drive, aimed primarily at younger, less tradition-bound engineers. It is playing up what it calls a sharp lag in economic gains for professional workers in comparison with industrial workers.

The union thinks it has an angle in a Taft-Hartley clause giving professional employees special status under the law; it assures them the right to ballot secretly on whether or not they want to be in the same bargaining unit as other plant employees. F.A.E.C.T. sees this as a weapon to be used if bigger unions try to swallow up engineering and laboratory workers.

• **Opposite View**—Generally, however, employers believe F.A.E.C.T. is unduly optimistic over the T-H angle, that actually F.A.E.C.T. will ebb as a result of it.

The argument runs like this: Many technicians have never wanted to join a union—any union. Before T-H they joined F.A.E.C.T. anyway, as the lesser of two evils. If they did not, they feared, they would be forced later to join a company-wide union. Now the T-H clause has removed that threat. So management thinks these technicians will now do what they always preferred—vote "no union" on any and all occasions.

• **Opposition**—The T-H clause was sought by technical and engineering so-



UNION SHOP

Ford Local 400 of the United Auto Workers (C.I.O.) thinks there's more than one way to skin a cat. Since further wage boosts aren't forthcoming now to meet rising food costs, the local has opened a store to sell canned and packaged food to its 10,000 members at wholesale prices.

The local's headquarters has been equipped with long tables for counters. Member-customers serve themselves. Checking-counter attendants are volunteers; there's no problem in getting them because the store is open only on Saturdays.

Opening day saw long lines outside the "store" before 9 a.m. By noon, the \$1,500 stock was sold out.

cities. Their testimony at congressional hearings was an opening gun in the all-out campaign for the loyalty of technical workers. F.A.E.C.T. in the future will face competition not so much from other unions as from these societies. From the start, they opposed F.A.E.C.T. (BW-Mar.4'44,p104).

For years, however, they offered little or nothing in the way of collective bargaining aid as an alternative to union help. Now, prodded by some of the younger members, civil, mechanical, electrical, and mining engineering societies have turned their attention to problems of collective bargaining.

The formation of negotiating groups inside the framework of the societies has been given serious consideration. Object: To create within association a "proper" machinery for establishing professional standards and salaries. Alternative: To let C.I.O. do it. One outcome has been the formation of several societies of a Joint Committee

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on the Economic Status of the neer, to study collective bargaining problems.

• **Charges and Countercharges**—Professional society objections to F.A. range from a flat "it's radical" basis of its affiliation with the U.O.P.W.) to arguments that they can deal adequately with the special problems of technical workers.

F.A.E.C.T. has countered the charge that technical personnel rely on the aid of associations created by executive-level professionals, for collective bargaining purposes. It believes there is plenty of room in the field of professional management relations, thinks that professions should stick to the fields of professional ethics and standards.

The union has offered to cooperate with professional societies and has boasted of its "special" nucleus of members who can maintain association membership.

• **Turndown**—But the association is not willing to enter into any such promise. They contend it would be a "surrender" of individual and professional "freedom, inspiration, and opportunity." A guarded association comment on the Ebasco strike and the attendant picketing was typical of the general attitude: "Engineering [is] being sacrificed; a profession is turned into a trade."

SAFeway's UNION SHOP

Safeway Stores, Inc., has renewed its union-shop contract with the butchers' union in San Francisco—without serving the elaborate formalities of the Taft-Hartley law drapes a union-shop recognition.

For Safeway, the move was obviously the line of least resistance. But it is potentially fraught with unpleasant sequences. Only four months ago the national grocery chain reopened its San Francisco meat markets after a month strike by the same union, which cost \$5-million in loss of business and other expense (BW—May 17 '47). This time the union was ready to go down not only the meat markets but the grocery departments and warehouse as well. The chain's alternative was to allow the union shop as organized independent markets (intrastate) were closed.

Given the choice between another costly strike and the risk that an individual employee might go to the National Labor Relations Board to challenge the union-shop contract, the food chain chose the latter course.

Safeway undoubtedly will face the choice again. In northern California alone, the chain has probably a 100 more union shop contracts due to expire in the next few months. Other unions will be understandably reluctant to accept less than the butchers got

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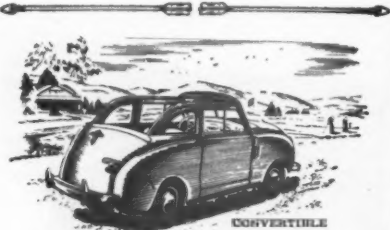
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UNDER FIRE: John Santo, flanked by Mike Quill (left), counsel Harry Sacher

C.I.O. Leftists Under Heavier Pressure

Steadily mounting pressure against C.I.O.'s left wing reached new peaks this week, after marked gains recently in state council elections (BW—Sep.13'47,p94).

• In New York, the U. S. Dept. of Justice sought deportation of John Santo, organizational director of the Transport Workers Union and chief aid to T.W.U. president Mike Quill. Both are listed among C.I.O.'s leading leftists.

• In Detroit, Walter Reuther, president of the United Auto Workers (C.I.O.), was reported in his strongest position so far. Reuther completely subdued left-wing foes at the recent quarterly U.A.W. executive board meeting in Buffalo.

• Santo Accusations—Federal charge against Santo, an alien, is that he belongs to an organization—the Communist Party—which believes in the forcible overthrow of the government. Santo came into this country 20 years ago as a student from Rumania. A charge of overstaying his authorized time was brought six years ago, but was dropped when he was inducted into the Army.

The action—similar in many respects to that against Harry Bridges two years ago (BW—Jun.23'45,p99)—quickly became a cause celebre for leftist unions.

Largely for that reason there were few cheers, even from the strongest anti-Communist factions. The question most raised was a tactical one: whether, in the final analysis, pressure such as that against Santo would not do more harm than good. Obviously, for the Communist press and C.I.O.'s leftist newspapers Santo had

become a martyr, and his case was furnishing a fertile rallying ground.

• Reuther Holds Reins—Reuther's gains against the left in U.A.W., led by secretary-treasurer George F. Addes and vice-presidents R. J. Thomas and Richard T. Leonard, showed clearly in the Buffalo dress rehearsal for U.A.W.'s November convention.

The 22-man board, which in the past has often bolted from Reuther's leadership, was kept in tight check. Reuther, strengthened by growing rank-and-file strength, won every test.

• Other Board Actions—The governing group also rejected an appeal from the Glenn L. Martin U.A.W. local asking the board to reverse its boycott of the National Relations Board on Taft-Hartley law requirements. However, it promised to go to court if necessary to force NLRB to count the important contested ballots to decide whether U.A.W. gets collective bargaining rights at the Baltimore plane plant (BW—Aug.30'47,p80). U.A.W. will contend that NLRB must act, since the election was held just prior to the effective date of the new labor law.

U.A.W.'s board voted to set up a national Garage Workers Council to spearhead organizing work among garage mechanics. A current strike of 1,500 employees in 77 Detroit garages will be given financial support.

Addes reported that the dues-paying membership of U.A.W., previously at the nation's high of 920,000, has dropped to 810,000. The announced reason: curtailed auto production due to steel shortages.

INTERNATIONAL OUTLOOK

BUSINESS WEEK

NOVEMBER 20, 1947



The Paris conference has revised its Marshall Plan report again. The U. S. wasn't satisfied with the first two versions. But Under Secretary Clayton has tentatively approved the third, more realistic one.

The first hitch was the size of the original estimate of Europe's four-year needs from the rest of the world—\$29-billion or more.

That's been cut down to around \$20-billion. If the World Bank provides funds for the capital equipment, it might be \$18-billion.

The State Dept. is figuring that the U. S. may have to provide about \$13-billion or \$14-billion of this.

U. S. funds would go for procurement of American goods only. Washington won't provide the dollars for Europe to buy Canadian wheat or Argentine beef. These countries are expected to ante up, too. That's one of the things President Truman told Latin American leaders at the Rio conference.

The next problem was to get the Paris planners in a selfhelp groove.

They'd just been adding up the individual deficits of each country—for steel, coke, fertilizers. They hadn't really figured on picking up the surpluses that some European countries should have next year.

Nor had they made arrangements to channel scarce items, like steel sheet, to the spots where they would do the most good. They're now working on machinery to do just this.

Needs for both electrical equipment and raw materials for manufacture of electrical equipment were simply toted up together—to \$500-million. Now there's to be as detailed a breakdown as it's possible to work out.

In the final report there should be a real emphasis on cooperation between the 16 Marshall Plan countries and western Germany.

Some of the latest proposals are:

- (1) Standardizing Europe's freight cars.
- (2) Channeling coke only to steel making.
- (3) Speeding up emigration of Italy's surplus manpower.

The Paris conference has also raised the sights for Europe's own productive effort (including western Germany). Some of the targets for 1951 are:

Steel: 55.4-million tons, compared with 30.3-million in 1947.

Coal: 584-million tons, compared with 440-million in 1947.

Rail freight: 300-million tons, compared with 217-million in 1947

Cereals: 66-million tons, compared with 56-million in 1947.

Electricity: 65-billion kwh. compared with 43-billion in 1947.

France itself has heeded Under Secretary Clayton's warning that each country must stabilize its internal finances.

The Ramadier government has appointed a six-member ministerial committee to come up fast with a crisis plan for the rest of 1947 and 1948.

The emphasis will not be on what France needs but on what France can do to balance its budget, check inflation.

On the strength of this plan, the French government will appeal for

INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK
SEPTEMBER 20, 1947

stop-gap aid until the fate of the Marshall Plan is settled by the U. S. Congress.

•
Britain has just made two moves to get stop-gap dollars:

- (1) Selling \$80-million of its gold reserves to the U. S.
- (2) Borrowing \$60-million from the International Monetary Fund.

•
London may also apply to the World Bank for about \$300-million.

Since the bank isn't in the stop-gap business, this loan would have to go for special reconstruction projects, such as steel modernization.

Britain needs \$60-million worth of U. S. equipment to get ahead with its steel plans.

Nationalization of this industry doesn't seem to be in the cards for another year anyway. So its chances of getting World Bank money are probably good.

•
The Labor government has launched its new export drive.

The aim is to increase foreign sales by over 40% before the end of 1948—to an annual rate of \$6.3-billion.

The export industry is to get the coal and steel it needs, regardless of other demands.

To provide more leeway for essentials, the nation's planned capital expenditures are to be cut by \$800-million. The ax won't fall on expansion plans for coal, steel, electricity, transport, or export specialties.

If the target is reached, Britain will be exporting 25% of total manufactured goods.

•
The British export plan means more competition for U. S. exporters.

One British firm that's planning to do big things is Standard Motor Car Co., Ltd. It's producing autos and tractors (Ferguson) on assembly lines that compare favorably with the best in the U. S.

Tractor production is running at over 700 a week, is expected to reach 2,000 by the end of the year.

•
Standard plans to sell these in volume to South America, especially Argentina.

Since Buenos Aires can no longer convert its sterling into dollars, it will probably buy in Britain.

The great advantage the U. S. has now is in offering service facilities. As sales go up, however, Standard and other British firms will follow suit.

•
But Britain's export drive, like its whole future, depends on coal.

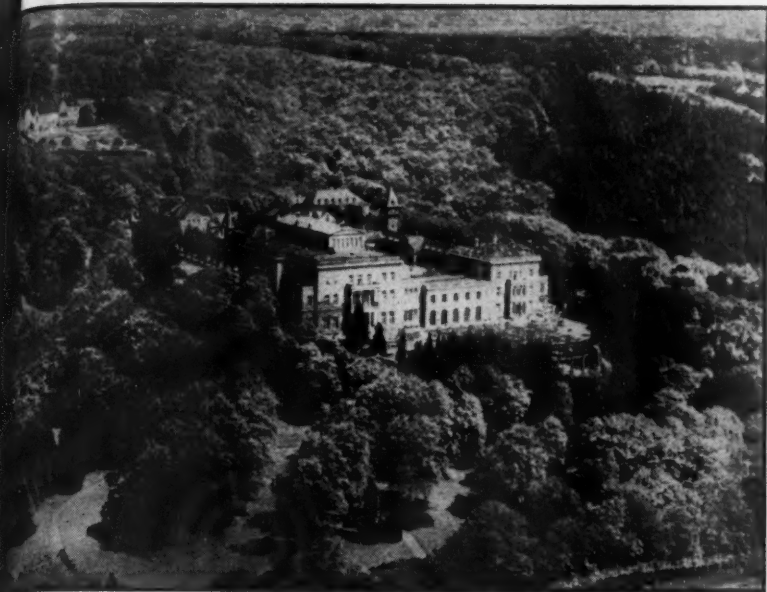
And the chances for a real boost in British coal output still hang in the balance.

The Yorkshire coal strike has ended with a temporary armistice between the Grimethorpe miners and the National Coal Board.

A union fact-finding committee is investigating the dispute over how many feet the coal-face miner should cut a day.

The committee is expected to side with the board. But the government can't be sure that the miners won't rebel again against both the board and their own union.

BUSINESS ABROAD



VILLA HUGEL: U. S. will share a German Olympus with Britain's Ruhr coal command

Setting Ruhr Coal Policy

U. S. to take over joint direction of mines as a result of Washington talks. German managers will have responsibility for actual production. Nationalization issue has been shelved for a while.

ESSEN—The decisions on Ruhr coal taken in Washington by the U. S. and Britain have come none too soon. The Ruhr may be moving faster for the moment, but there are still grim months ahead.

These are the Anglo-American proposals that look most impressive here in the German mining center:

(1) Setting up a German Coal Management with full responsibility for coal production.

(2) Replacing the North German Coal Control (set up by the British in 1945) by an Anglo-American authority designed to give only policy directives to the German management.

(3) Checking the deterioration of mine equipment by the allocation of more German steel and the supply of \$5-million worth of U. S. steel, rubber, lighting, hose, and other materials for repair work.

(4) Pushing mine mechanization with German-built coal plows and cutters, and sending U. S. engineers over to study further mechanization needs.

(5) Salvaging transport by giving top priorities for steel and other materials for the repair of locomotives and coal cars; renewing negotiations with the Belgians and the Czechs to repair im-

mobile rolling stock now in Germany; using trucks more for short hauls.

(6) Building up food stocks in the Ruhr to assure regular honoring of the "normal" daily 1,550-calorie ration and special rations for miners.

(7) Pushing the program for housing (really only sheltering) miners and their families.

(8) Shelving the nationalization issue.

These proposals must be put into effect quickly to prevent a drastic winter drop in output. Coal production slumped all through the early summer after reaching a peak in March of 238,000 tons a day (prewar figure, 400,000). Then, in August, it rose sharply to about 243,000 tons a day.

• **Incentives**—But that increase was in response to a number of stimuli which would be difficult to maintain. The British managers of the Ruhr were getting food to the miners at close to the goal of 4,000 calories a day. (Rations for ordinary German citizens are 1,550 calories a day, and they don't often get that much.) And a three-pronged, American-organized incentive system was beginning to click:

(1) For hitting the monthly target set for them, miners received a jackpot in American Army rations—a 40,000-calorie, "10-in-1" package of assorted

foods plus highly negotiable cigarettes, matches, soap, paper towels, and toilet paper.

(2) If the improved output was maintained, miners were to be guaranteed at least the full amount of their regular rations.

(3) A percentage of the exchange proceeds derived from coal export sales was to be set aside for the purchase of food and consumer goods. These would add variety to what the mine families could buy within their ration limits.

But—

• The available supply of those American Army rations is running out, and that incentive will run out with them;

• The guarantee of full regular rations will be hard to hold after this drought-stricken German harvest and in face of other food demands on America (the 4,000-calorie goal will be almost impossible to meet);

• The promise of imported goods out of export proceeds has to buck the disorganized state of Europe's trade.

• **Shortages**—And other troubles loom.

Mine equipment is fast wearing out. The tiny store of spares is reaching depletion: Cannibalism—making one good machine out of two or more wrecks—has been carried about as far as it can be.

Transportation, despite some headway on repair work (the chief activity of what little the bombs left of the Krupp plants in Essen), is still crippled by the shortage of steel—which, in turn, is largely due to the shortage of coal.

• **Necessities**—On miners' supplies, the latest published British report read:

"Only sufficient working suits for issue to new intakes were received, and the supply of sweatshirts was less than for June. The shortage of palliases [hard mattresses] and straw is still very serious and deliveries of leather-protective articles and shoe-repair material are still too small. Supplies of furniture for miners' houses decreased during the month, owing to electric power restrictions." (To the last phrase, again add, "Due to the shortage of coal," and get a further idea of the vicious circle in which the Ruhr is caught.)

• **Obvious**—The British rulers of the Ruhr knew all the stock answers to the Ruhr problem. It took no genius to see what could be done with more food, more consumer goods, more housing, more supplies, more equipment. But Britain is just plain hard up for resources—if not also for good old-fashioned energy.

There are, indeed, very few Britishers in the operation, except on the kind of directorate that sits above the Ruhr in lush Villa Hugel (picture, above), the far too-comfortable palace of the Krupps, outside of Essen. But it's hard to discount the German—and Amer-

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ican—tales of the red tape that has been running in ribbons down to the mines from Villa Hugel.

• **Overrated Issue**—Nationalization never loomed as important here as it did in

Washington and London. The Baron at Villa Hugel did feel that the issue ought to be decided for the Ruhr, one way or another—"to clear the situation," or "to assure the non-Nazis

TOKYO LETTER

TOKYO—The Allied Powers have developed both policy and plans for resuming private international trade with Japan. While businessmen in the U.S. and elsewhere are naturally concerned with these developments, nowhere is interest greater than in Japan itself. But for different reasons.

The questions that Japanese ask are a tip-off as to what they think. They flood you with queries about business conditions in the world, and particularly in the U.S. The wording of most of these questions—especially from Japanese businessmen and journalists—shows that the Japanese think the peace treaty will wipe out the past. The average Japanese is shocked at the idea that, for a good many years, Japan will be on probation and will have to earn its right to full membership in the family of nations.

The humanitarian leniency of the Allied occupation apparently has strengthened Japanese confidence that the world soon will forget the war years and Japan's responsibility for them. In commenting on the occupation policy here, one of the top officials of the Allied Powers, Gen. Crerar of Canada, remarked recently: "It is a fine blueprint, but I don't know how deep it has penetrated."

IT IS still too early to say that democracy is catching hold in Japan. Minds around the world are about the same. The environment in which these minds develop is what makes the difference. And Japan's environment hasn't changed much since before the war. It takes time.

Some day we will discover what real changes the impact of defeat have made in Japan. But two years of "influence" is too short a period to judge. The greatest impact, of course, is in the war-torn cities. But once you get outside, in the villages and on the farms, everything is pretty much the same as before. One member of the foreign delegation who saw Germany after the last war and again after this one, compares

present-day Japan with Germany in the early '20's; by and large, he says it hasn't learned that war doesn't pay.

All of the Allied Powers seem to realize, however, that for the time being we must make it possible for Japan to get back on its feet. Otherwise, as the conquerors of this densely populated island nation, we would be normally bound to keep starvation away from the Japanese people. And this means that, unless we let them shift for themselves, we would have to pour a great deal of American brainpower, skill, and money into the island to keep it from sinking.

NOT that Japan is totally bankrupt. Its gold and jewel hoard (BW—Sep.13'47,p116) provide the tangible assets needed to prime the pump. With this "gold pot" as a starter, an export-import revolving fund has been established for occupied Japan. It will serve as a credit base to finance imports of raw materials essential for the manufacture of export commodities.

Optimists predict that this credit base could sustain the import of \$550-million worth of cotton, wool, pig iron, salt, petroleum, wood pulp, hard fibers, metals, rubber, chemicals and coking coal in the next year. Others scale the total down to \$400 million. Even at the lower figure the scheme is the first that offers any real salvation for Japan's economy—a voluminous flow of materials which Japan lacks.

Properly managed, the imports could create exports which would net a 20%-30% foreign exchange profit, an important factor for long-range planning to meet recurrent import needs.

Knowing that Japan must sell the bulk of its exports to countries short of dollars, the Economic & Scientific Section (ESS) of the Supreme Commander for the Allied Powers (SCAP) hopes to buy heavily in nondollar areas. Yet the Japanese need considerable quantities of raw materials which only the U.S. can supply today.



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AT STATIONERY AND MAP STORES

in the mine managements that the old crowd isn't coming back."

But villa Hugel has admitted all along that immediate needs are more important than political incentives—for the time being, at least. The German managers agree.

• **Miners' Views**—Nobody really knows what the miners would think if their minds weren't pretty fully concentrated on their bellies. Of three Ruhr labor leaders interviewed, one, a Social Democrat, insisted that the people would vote nationalization today—that a delay on the vote was only strengthening the Communists. A Landtag deputy of the right-wing Christian Democratic Union faintly called for a vote after five years, but sounded as if he wouldn't mean it then if the employers didn't. A Communist leader voiced the German equivalent of, "There's no point to the whole issue now; we'll take care of that when the people seize power."

At any rate, the U. S. view prevailed at Washington; the nationalization issue seems dead for the moment.

• **Price Boost**—Meanwhile, one move has been made to rationalize the Ruhr operation. On Sept. 1, the coal export price got a long-urged boost from \$10 to \$15 a ton f.o.b. Add freight charges of from \$3.50 to \$7 a ton, depending on the European delivery point, and you have something like the American export price of \$8 to \$9 a ton, Hampton Roads, plus \$8 to carry the American coal to this side of the Atlantic.

The "Ruhr Question" is, of course, international. The French emphasize this with their immediate demand for more coal from the valley for their steel mills. Strictly speaking, their chief drive is for more coke. But bombed-out Germany hasn't the capacity to utilize the gas byproducts of the coking process; this signals waste ahead if the French get much more. So the coming Berlin meeting of experts, which was promised to the French at London (BW-Sep. 6'47, p101), may face a tough three-nation debate over the question of who's to pay for such waste.

• **Responsibility**—In the short run, however—for the same obvious economic reasons that put us on the spot under the Marshall Plan—the answer to the Ruhr Question is going to be in the hands of the U. S.

And up at Villa Hugel, or down in the mines, or from the vantage-point of Berlin, it looks as though a good start has been made by the decision to create a new Anglo-American coal authority. If this means Americans will soon take the driver's seat, so much the better. What the Ruhr needs in the grim present is a practical demonstration of American energy and ingenuity, a test of our capacity for getting first things done first—and fast.

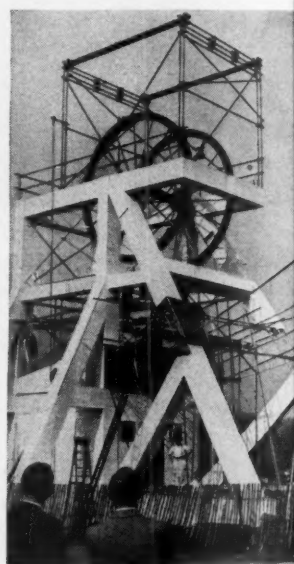
Worker-Owner

Employees buy Canada factory, do well with it. In year wages were raised, cut, and the firm made a

OTTAWA—The 83-year-old Munster & Bulloch Mfg. Co., Ltd. found that employee ownership came off handsomely. Thanks to the increased enthusiasm of its workers, the company has reaped larger profits, turned out products of a more consistently high quality than ever before.

• **Family Firm**—On the face of it, Munster & Bulloch might have seemed an unlikely firm to switch over to employee ownership. From its founding had been a tightly owned family enterprise, set in the quiet background of Gananoque, Ont., a little St. Lawrence River town. Small but solid, the firm turned out rivets, rivet-setting machines and light metal products.

But in the spring of 1946 Munster & Bulloch's future clouded over



UNPRODUCTIVE PIT

A pithead without a pit stands in London's Hyde Park. Purpose to remind Britons of their coal needs. The display is part of the National Coal Board's exhibition "The Miner Come to Town."

As workmen were putting finishing touches on the structure—built from a bandstand—50,000 Yorkshire miners were on strike (p. 108). The stoppage cost fuel-hungry Britain 400,000 tons of coal.

proprietor, W. V. Bulloch, decided to sell out. This worried his 175 employees, many of them veterans of many years in the company. They didn't like the idea that the independent firm might be taken over by some large, absentee corporation.

Decision—Sparked by the initiative of general manager Thomas J. Delaney, employees decided to take over themselves. They borrowed from banks, used family savings, and mortgaged homes to scrape up \$252,000. Bulloch picked down his original price tag from \$10,000 to \$525,000; a bond issue brought in the remaining \$273,000.

The new setup was modeled on the pattern set by New York City's Graybar Electric Corp., Inc., which became a 100% employee-owned corporation in 1922. It is similar to that adopted by employees of Cleveland's Market Specialties Co. recently (BW—Jul. 19 p. 22).

Management—The switch brought no radical changes in the firm's management. There were, of course, some promotions; Delaney, for example, moved up to president and general manager. Continuity of management is assured by a seven-man board of directors, to whom the employees have assigned their voting rights for an interim period of 10 years while the bond issue is being paid off. There has been any change in the company's contract with the United Brotherhood of Workers (C.I.O.)—although, according to reports, the employees' interest in unionism has slackened somewhat. Only employees can own stock; a committee has the power to put a limit on the holdings of any one individual. In agreement, an employee must dispose of his shares through the company if he leaves. A widow may retain her husband's share for life, if he bequeaths them to her; otherwise the company buys them back.

The employees took readily to the plan. All of them went into the first stock issue, buying shares at \$100 each—either in cash or through payroll deductions. Some 80% are now purchasing additional shares on the payroll deduction plan; proceeds will go toward retirement of the funded debt.

Doing Well—Though Parmenter & Bulloch has not made its operating results public this year, both it and its employees are obviously doing very well. The employees have a liberal holiday schedule and the work week has been reduced from 44 to 40 hours since the new plan went into effect. Recent increases have boosted wages above the district level; toolmakers, for instance, now get \$1.33 an hour as against a local average of \$1.15.

Added to all this, the employee-stockholders have picked up \$4.50 a share in dividends to date.

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Claude L. Leach, GEN. MANAGER

THE MARKETS

(FINANCE SECTION—PAGE 1)

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	147.2	145.2	150.9	147.4
Railroad	41.8	41.7	43.2	49.3
Utility	74.2	73.9	76.0	77.1
Bonds				
Industrial	122.0	121.9	123.9	123.6
Railroad	109.2	109.4	110.8	114.7
Utility	114.0	113.8	113.3	115.4

Data: Standard & Poor's Corp.

Market Down-Drift Stalls

The commodity markets—and particularly the grain trading arenas—continue to attract more paying customers, and to prove more profitable for participants, than do the security exchanges (page 15).

• **Rally**—However, this week gave the Street's bulls a few rays of hope. There were indications that the recent long, slow trek of stock prices to ever-lower levels may finally have come to an end, at least for a while.

On Tuesday, for example, stocks on the Big Board suddenly started to turn firmer in the last hour of trading. Soon the liveliest rally since Labor Day was under way. To make things even nicer:

• Trading volume zoomed to 300,000 shares during Tuesday's single "buying hour," compared with Monday's 500,000 shares in five hours.

• The advance was led by many of the market stalwarts. Among them: U. S. Steel, Bethlehem Steel, Chrysler, Standard Oil (N. J.), U. S. Rubber, DuPont,

Corn Products, American Smelting & Refining, Goodrich.

• Only 198 of the 938 issues traded were unable to score gains.

• **Confirmation**—Nor was the Tuesday rally a flash in the pan, like so many recent spurts. On Wednesday the stock market performed in an even more convincing fashion.

Big Board trading volume, for the first time since late July, was more than a million shares; almost every sector of the stock list boasted many share gains; once again the market's advance was spearheaded by the "quality issues."

• **Why?**—What caused the market to regain its equilibrium so suddenly this week? Many explanations are being offered.

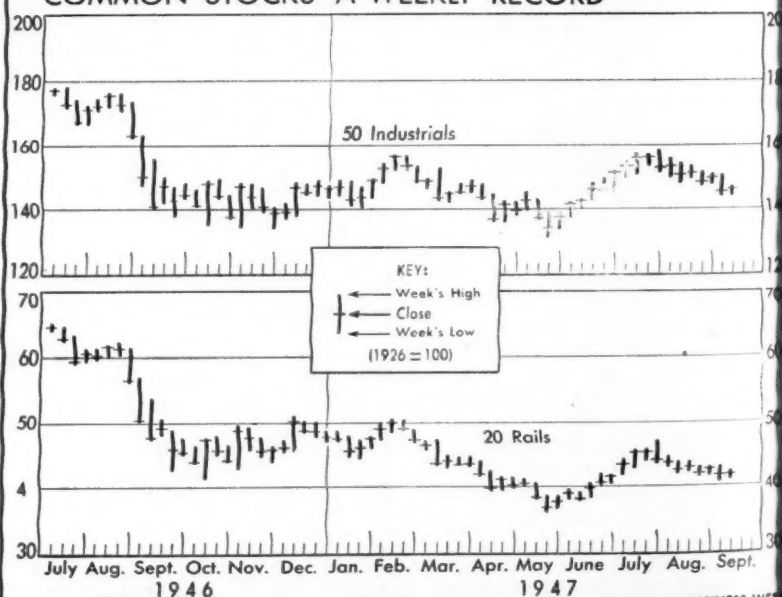
Most middle-of-the-road observers saw nothing in the situation up to last week to get very excited about. As they appraised the situation, purely technical factors caused the rally. Primarily responsible, they reported, was the market's oversold position, rather than any real improvement or clearing up of the near-term market outlook.

• **Bulls Disagree**—But the more fervent bulls (and there are many of them) aren't satisfied with that explanation. They feel that this week's burst of buying reflects a growing awareness among investors and traders of such factors as these:

• The "bargains" now available due to the market's recent low capitalization of current corporate earnings;

• The likelihood that earnings will con-

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

© BUSINESS WEEK

Wage Boosts Will Hit Rail Earnings Hard

The 15½¢-an-hour wage raise granted the nonoperating unions this month, the railroads report, will raise yearly costs almost \$440-million. It is expected to add over \$140-million to the roads' September-December overhead this year. This will hold full 1947 rail earnings after all charges to no more than \$60-million ahead of last year's poor \$289-million net.

An even sorer showing, moreover, is quite possible. Still to be satisfied are the demands of the operating unions. And a settlement with that group could easily add another

\$300-million to annual rail payrolls.

As the industry sees the situation, added payroll costs and increased prices for materials and supplies can be offset only by increasing freight rates. ICC hearings are now under way on a railroad petition for a rise of about 27% in freight tariffs. The roads consider the situation sufficiently grave to request, as well, a temporary, immediate 10% rate hike.

What will 1947 earnings look like if no increase in freight rates is granted before the year ends? Here's how Moody's Investors Service answers that question.

Rise in Annual Freight Revenues Needed to Offset Both Wage Raises — Common Stock —
Current Dividend Rate Recent Price

	—Estimated 1947 Net per Share— (1)	(2)	(3)			
Atch. Top. & S. F.	\$12.00	\$11.50	\$6.50	7.2 %	\$6.00	\$81.75
Atlantic Coast Line.	7.45	7.10	1.90	7.1	4.00	50.00
Baltimore & Ohio.	D0.60	D0.90	D5.00	6.5	....	12.75
Chesapeake & Ohio.	4.70	4.60	3.80	4.5	3.50	45.00
Chic., Mil. St. P. & P.	0.25	Nil	D3.20	7.3	....	8.62
Chic. & North Western.	1.25	0.70	D6.30	8.7	1.00	18.12
Delaware & Hudson.	7.80	7.60	4.50	6.2	4.00	40.00
Erie.	0.90	0.75	D0.90	5.7	1.00	9.12
Great Northern.	6.30	6.20	4.50	6.8	*3.00	*39.75
Illinois Central.	8.90	8.45	3.00	7.3	....	25.50
Louisville & Nashville.	6.00	5.90	3.50	6.8	3.52	44.00
New York Central.	0.10	D0.20	D4.20	10.0	....	14.12
N. Y., Chic. & St. L.	14.20	13.60	6.50	5.3	....	34.00
Norfolk & Western.	5.10	5.00	4.30	5.0	3.25	59.00
Northern Pacific.	4.25	4.10	2.20	8.0	1.00	19.75
Pennsylvania.	0.15	Nil	D2.25	8.5	0.50	18.00
Reading.	3.05	2.85	0.50	6.5	1.00	19.25
Seaboard Air Line.	1.30	1.00	D3.25	7.0	....	16.25
Southern Pacific.	7.45	7.20	3.25	6.8	4.00	42.37
Southern Ry.	5.10	4.65	D1.50	8.0	3.00	37.37
Texas & Pacific.	8.30	7.90	3.60	6.8	4.00	46.12
Union Pacific.	15.00	14.50	10.00	6.8	6.00	134.50
Virginian.	4.05	4.00	3.50	3.5	2.50	36.75
Western Pacific.	1.80	1.55	D1.50	7.3	3.00	27.50

D Deficit. * Only preferred stock outstanding.

(1) Allowing for nonoperating wage increase for last four months of 1947.

(2) Allowing for nonoperating wage increase for last four months and for similar increase for operating unions for last three months.

(3) Allowing for both increases on an annual basis.

abnormally high, at least through 1947;

The generous yields now available on many well-rated stocks;

The inflation already seen, and probable further inflation in the months ahead.

The bulls believe that such matters outweigh by a big margin the equally potent factors that can be listed on the debit side of the ledger. These include: The current decline in the nation's important export business;

The serious unfavorable market potentialities of the foreign political situation;

The keener competition, narrowing profit margins, and smaller sales likely to be seen in many lines soon;

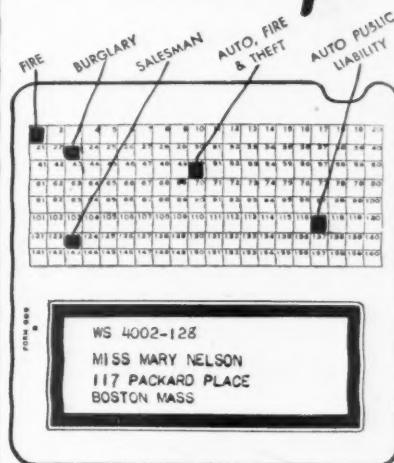
The rigidity of today's wage and cost structures, which suggests plenty of corporate fiscal troubles once the present boom starts to deflate.

• **Rift at Tucker**—Preston Tucker, president and founder of the Tucker Corp. (BW—Aug. 9 '47, p66); and Col. Harry A. Toulmin, Jr., chairman of the board, parted company this week. The cause was a dispute over the handling of the company's finances.

On resigning, Toulmin wrote a letter to the Securities & Exchange Commission. He asserted that Tucker disregarded his demands that funds at the disposal of the company "be spent and administered under the strictest regulations and controls normal to legitimate business."

Tucker denies that "a dime" of the \$15-million just realized from the sale of new stock has yet been spent. He claims, moreover, that Toulmin's resignation was requested to make way for the appointment of a new chairman who will be "a prominent man now active in the automobile industry."

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THE TREND

THE UPROAR ABOUT PRICES

Here are a few too-much neglected aspects of what the phrase makers, still feeling the aftereffects of military nomenclature, will probably soon be calling "The Battle of the Bread Basket" or "Operation Grocery Store."

The current hullabaloo about price increases is out of proportion to the magnitude of the increases. In the past two months all wholesale prices have risen about 5% while the cost of food at wholesale has gone up about 8%. Much greater increases took place in the first six months after OPA without causing anything like the outraged cries against soaring prices which have dominated newspaper headlines in the past few weeks. In that period—in June to December, 1946—all wholesale prices rose 25% and wholesale food prices soared 42%.

• Then what is the explanation of all of the shouting? A substantial part of it, we suspect, is preponderantly psychological. Americans have always had more respect for a dollar than they have had for a dozen eggs or a pound of butter. Hence deep wells of feeling are churned up when eggs and butter hit a dollar, even though a relatively small price increase was required to do it.

Also quite a bit of the commotion is manufactured by politicians, looking with an eager eye to the restoration of government controls, and labor leaders looking with an eager eye to wage increases. Check the inflamed statements about the cost-of-living crisis against the backgrounds of the authors. You will frequently find that an axe which is not being put fully on view is nonetheless being ground.

• This is not, let it be underlined, by way of belittling the gravity of the problems created by the present altitude of the American price level. It is by way of getting the current uproar into better perspective. If prices should continue to soar at anything like the rate they have maintained since July, one of two things would eventuate: (1) They would either collapse with a sickening crash, or (2) they would complete the economic and social revolution they are now, and have been, effecting since the beginning of the war. In either event there would be lots of wreckage.

In the meantime, the short-run effects of recent food price increases are being exaggerated. For one thing, the rise is greater than the underlying facts of supply and demand would seem to justify. The biggest change in the food outlook is the growing certainty that the corn crop will be some 20% below last year. Demand for grains, and for foods generally, shows no signs of letting down. So food prices, led by corn, wheat, butter and eggs, are on the rise.

But food prices are notorious for the way they swing too far one way or the other. Thus there is good reason

TONIC FOR EUROPE

Ralph Smith, editor of Business Week, cables from Germany as follows:

"Business and government men in Germany and Austria—both native and American, stationed here and passing through—are convinced that a special session of Congress (now apparently endorsed by Marshall) would have a tonic effect on the European will to push democratic reconstruction.

"To hold the respect of Europeans the U. S. must be businesslike about its aid. However, the goodwill gained now by the U. S. giving up the power to take its own sweet time might well save us millions of dollars later.

"Too late" is as important as "too little" in popular thinking under the present psychological pressure of fears about the hard winter ahead. A special session of Congress would be taken as reassurance that America understands the urgency as well as dimensions of the problems involved in fighting hunger, economic stagnation, and Communism."

to believe that the current flurry will subside. Grain prices, as well as those food prices tied closely to grain, they will end up above the July levels, but they will be lower than they are now.

• Furthermore, the prospects are that some key food prices will start sagging before long. Supplies of fruit, vegetable, fats and oils are expected to be well above a year ago. And more meat will go to market this fall. This will take some of the sting out of higher prices for grains, butter and eggs. The net effect may well be leveling off of food prices.

Also, there is little or no evidence that price increases are bringing the nation's consumer purchasing power close to exhaustion. On the contrary, meat, butter, and egg prices are where they are because American consumers, with a broader distribution of purchasing power than ever before, are bidding eagerly to get these products.

Thus far, as we have remarked before (BW—Aug. 24, p. 92), the business community has done a relatively good job in holding down prices. But there is far more to do. Coal companies, which are widely credited with having touched off the last round of industrial wage-price boosts, are doing some of it. They have gone to work with the customers to see if the price increases posted after the last coal wage increase can be pared.

• Carried out in an orderly way on a broad base, business craftsmanship of this sort can do much to restore our price system to a solid foundation. But if the sort of sensation-rousing excitement about prices to which we are currently indulging ourselves were to stampede us into panicky panaceas we might never get to the long-run job of price stabilization.

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